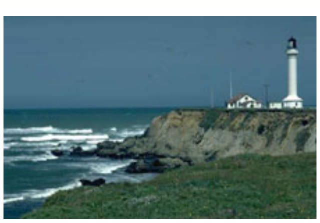
R.L. DePanfilis & Company, LLC
Ralph L. DePanfilis
13 Byington Place
Norwalk, CT 06850
203-853-1040
203-853-9070
info@depanfilis.com

September 2017



R. L. DePanfilis & Company LLC

Guiding You To Financial Success Since 1979

From Data Breaches to Ransomware: How to Avoid Becoming the Victim of a Cybercrime

Each time you connect to the Internet, you risk becoming the victim of a cybercrime. It's the price we pay for living in a digital world — whether it's at home, at work, or on your smartphone.

According to the Identity Theft Resource Institute, the number of U.S. data breaches in 2016 increased by 40%. And as recently as May 2017, a widespread "ransomware" attack targeted personal computers across the globe. While software companies are continually developing strategies to combat the latest cybercrimes, there are some steps you can take to help protect yourself online.

The stronger, the better

It's a scary thought — most of us have a large amount of financial and personal information that's readily accessible through the Internet, in most cases protected by nothing more than a username and password.

Create a strong password by using a combination of lower- and upper-case letters, numbers, and symbols or by using a random phrase. Avoid using a password with your personal information such as your name and address. In addition, have a separate and unique password for each account or website that you use.

If you have trouble keeping track of all your password information or you want an extra level of password protection, consider using password management software. Password manager programs generate strong, unique passwords that you control through a single master password.

Follow the 3-2-1 rule

Backing up your online data is critical to avoid losing valuable information due to a cyber attack. If you have digital assets that you don't want to risk losing forever, you should back them up regularly. This pertains to data stored on both personal computers and mobile devices.

When backing up data, a good rule to follow is the 3-2-1 rule. This rule helps reduce the risk that any one event — such as a computer hacker gaining access to your computer — will compromise your primary data and backups. In order to follow the 3-2-1 rule:

- Have at least three copies of your data (this means a minimum of the original plus two backups)
- Use at least two different formats (e.g., hard drive and cloud-based service)
- Ensure that at least one backup copy is stored in a separate location (e.g., safe-deposit box)

Stay one step ahead

Finally, the best way to avoid becoming the victim of a cybercrime is to stay one step ahead of the cybercriminals. Here are some extra precautions you can take before you go online:

Consider using two-step authentication. Two-step authentication, which involves using a text or email code along with your password, provides another layer of protection for your sensitive data.

Keep an eye on your accounts. Notify your financial institution immediately if you see suspicious activity. Early notification not only can stop the cyber thief but may limit your financial liability.

Think twice before clicking. Beware of emails containing links or asking for personal information. Never click on a link in an email or text unless you know the sender and have a clear idea where the link will take you.

Be careful when you shop. When shopping online, look for the secure lock symbol in the address bar and the letters *https:* (as opposed to *http:*) in the URL. Avoid using public Wi-Fi networks for shopping, as they lack secure connections.

The cost and availability of life insurance depend on factors such as age, health, and the type and amount of insurance purchased. As with most financial decisions, there are expenses associated with the purchase of life insurance. Policies commonly have mortality and expense charges. In addition, if a policy is surrendered prematurely, there may be surrender charges and income tax implications.

Life insurance guarantees are based on the claims-paying ability and financial strength of the life insurance company issuing the policy.

Life Is for the Living, and So Is Life Insurance

Life can be busy. The requirements of work and family often leave little time to step back and think about where you've been and where you're heading. But as your responsibilities grow, so does the need to evaluate what would happen if life for you stopped. September is Life Insurance Awareness Month and a good time to reflect on how life insurance can help those you leave behind — the living.

Your spouse or life partner

A successful marriage is often predicated on sharing and providing for one another, and that includes each other's financial obligations. If you were suddenly no longer in the picture, would there be enough money to pay for your final expenses, cover debt, and buy some time to allow your significant other to adjust to a new way of life? Life insurance can provide funds to cover immediate expenses and income to help support your surviving loved one.

Your children

You've worked hard to provide for your kids, to give them the chance to realize their hopes and dreams. Your children are likely your greatest responsibility — a responsibility that doesn't end with your passing. Whether your children are in diapers or about to enter college, if something happened to you or your spouse, or both of you, would there be enough income to continue to provide financially for your children? Life insurance can help provide the resources for their continued growth and maturation.

Your home

Buying a home may be the largest single expenditure of your life. While being a homeowner is exciting, mortgage payments, often lasting 30 years, along with maintenance, utility costs, homeowners insurance, and real estate taxes can add up to a long-term financial commitment. Adequate life insurance protection can provide funds that could be used to cover these expenses, allowing your family to remain in their home.

Your business

Do you own your own business? Life insurance can fit into your business plan in many ways. It can be part of an employee benefit program, with coverage under a group plan. Life insurance purchased on the lives of certain key employees can protect your company from the loss of talented and valuable workers. And life insurance can be used to fund a buy-sell agreement.

Caring for an aging parent or loved one

Are you caring for an aging parent or loved one? Would the people who depend on you be able to afford quality health care and a comfortable place to live without your financial support? Life insurance can become extremely important in these situations, helping to provide for these individuals in the event of your death.

Planning for retirement

Preparing for retirement probably means you're saving as much as you can in your 401(k), IRA, or other savings vehicle. If you die before you get to enjoy your retirement, will your retirement plan die for your surviving loved ones as well? Not only will your salary be unavailable to help pay for current living expenses, but your income won't be there to build the nest egg for the retirement of your spouse or life partner. Life insurance can help provide funds that can be used for your spouse's or life partner's retirement.

Your health has changed

If your health declines, how will it affect your life insurance? A common worry is that your insurer could cancel your coverage should your health change. However, changes to your health will not affect your current insurance coverage, provided you continue to pay your premiums on time. In fact, you should take a closer look at your life insurance policy to find out if it offers any accelerated (living) benefits that you can access in the event of a serious or long-term illness.

Leaving a legacy

Life insurance can be used to increase the size of an estate for your heirs. The death benefit could provide your beneficiaries with a larger legacy than might otherwise be possible. The cost of life insurance may be significantly less than the proceeds of the policy paid to your beneficiaries when you die.

Charitable giving

Donating a life insurance policy to a charity may enable you to make a larger gift than you otherwise could afford. Further, the government encourages charitable giving by providing tax advantages for certain charitable donations (the charity must be a qualified charity). This means that both you and the charity could benefit from your donation (though some charities may not accept a gift of life insurance for various reasons).

Seven Questions and Answers About ABLE Accounts

The ABLE National Resource Center's website, [ablenrc.org,](ablenrc.org) contains links to state ABLE programs and a comparison tool.

***Before investing in an ABLE plan, consider whether your state offers an ABLE plan that provides residents with favorable state tax benefits. Consult a tax professional for more information.**

****Participating in an ABLE account may involve investment risk, including the possible loss of principal, and there can be no assurance that any investment strategy will be successful. Carefully consider a portfolio's risk, charges, and expenses before investing. Read the program's disclosure statement to learn more about the program, including investment objectives, risks, and tax implications.**

Upon an account owner's death, states can file a claim for Medicaid expenses paid while the ABLE account was open. Check with an estate planning professional.

ABLE accounts are tax-advantaged savings accounts that were created as a result of the Stephen Beck Jr. Achieving a Better Life Experience (ABLE) Act. Now that many states have launched ABLE programs, you may have questions about how these accounts work and how they may help you or a family member save for disability-related expenses.

Why open an ABLE account?

Retaining eligibility for Medicaid, Supplemental Security Income (SSI), and other much-needed public benefits depends on meeting a means or resource test. Individuals may have only $2,000 in countable assets, such as savings and retirement funds. This makes it very difficult to establish financial independence and save for most disability-related expenses, including those not covered by public benefit programs.

ABLE accounts help address this problem. Because funds in an ABLE account will generally not count toward this asset limit, individuals with disabilities may put money aside for their future needs without jeopardizing their eligibility for public benefits. Regardless of the balance, money in an ABLE account does not affect an individual's eligibility for Medicaid, but any account balance over $100,000 may temporarily affect SSI eligibility. When an ABLE account exceeds $100,000, SSI payments will be suspended until the account balance falls back to the level required.

Who is eligible to open an ABLE account?

If you have a significant disability that began before age 26, you may be eligible to open an ABLE account. If you meet that age criteria and are already receiving SSI or Social Security Disability Insurance (SSDI), you automatically qualify. You may also qualify if you're not receiving those benefits but you meet Social Security's definition of disability and are able to obtain certification from a physician.

If you have a family member who qualifies, you may be able to open and oversee an ABLE account on that person's behalf if you are legally authorized to do so (for example, you're the parent or legal guardian of a minor or someone who is legally unable to manage his or her account, or you have power of attorney). The individual with the disability remains both the account owner and the beneficiary. No matter who opens the account, each eligible beneficiary can have only one ABLE account.

Can you open an account in any state?

You can open an ABLE account in your own state if your state has an ABLE program or in any state that allows nonresidents to join (most do).* Contributions can then be made by the account owner or by family members, friends, employers, or others who want to provide financial support.

What investment options can you choose?

Plans generally offer several investment options that target different investment strategies and levels of risk. Some programs also offer an interest-bearing option such as a checking or savings account. Account contributions will be invested in whatever option(s) you choose. Federal rules allow you to reallocate previously invested money twice per calendar year, but you can change your investment options for new contributions at any time.**

How much can you contribute?

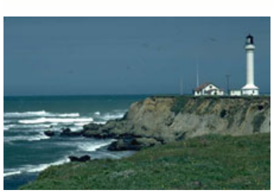
Annual and lifetime contribution limits apply. Each year, contributions from all donors combined may not exceed the annual federal gift tax exclusion for that year. In 2017, this limit is $14,000. Each state sets its own lifetime limit, which is also the state's maximum limit for Section 529 college savings plans. In many states this limit is at least $350,000.

What tax benefits do ABLE accounts offer?

Any account earnings accumulate tax deferred at the federal level (and in some cases at the state level). When money is withdrawn, the earnings on these distributions will be tax-free if they are used to pay qualified expenses. While no federal income tax deduction is available, some states may offer tax incentives to residents. Check with your financial or tax professional for more information on your state tax benefits, and information on your situation.

What can ABLE funds be used for?

Money in an ABLE account must be used for qualified disability expenses. In general, a qualified disability expense is one related to living with a disability, including transportation, health care, personal assistance, assistive technology, employment training, and legal fees. It's up to you to track how ABLE funds are spent — you won't be required to submit documentation to the program. However, keep in mind that the earnings portion of a withdrawal not used for a qualified expense may be subject to ordinary income tax and a 10% federal income tax penalty.



R.L. DePanfilis & Company, LLC
Ralph L. DePanfilis
13 Byington Place
Norwalk, CT 06850
203-853-1040
203-853-9070
info@depanfilis.com

If I donate used property to charity, what documentation is needed?

The documentation needed to obtain a federal income tax deduction for donating used property to a charity typically depends on the value of the property. In general, do not attach the documentation to your income tax return. Keep the records so that you can provide them to the IRS if requested to do so.

If you claim a deduction of less than $250, you must have a receipt from the charitable organization (a letter acknowledging your contribution will suffice) that shows the name of the organization, the date and location of your contribution, and a reasonably detailed description of the property. You must also have a record of the fair market value (FMV) of the property (and how you determined it) at the time of the contribution.

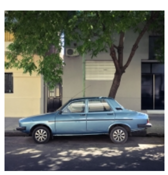
If you claim a charitable deduction for $250 or more, you must substantiate the contribution with a contemporaneous written acknowledgment of the contribution from the charity. The acknowledgment must contain the name of the charity and a reasonably detailed description of the property. The acknowledgment must also include either (1) a statement that no goods and services were provided by the charity in return for the contribution, (2) a good-faith estimate of the value of such goods and services (these reduce the amount of the charitable deduction), or (3) a statement that the goods and services were token benefits or consisted entirely of insubstantial membership benefits or intangible religious benefits.

If the value of the contribution is over $500, your records must also include how you acquired the property (e.g., purchase, gift, inheritance, or exchange), when you obtained the property, and the cost or other basis of the property (including any adjustments).

If you claim a deduction of over $5,000 for a noncash charitable contribution of one item or a group of similar items, you must also obtain a qualified written appraisal of the donated property from a qualified appraiser.

If the amount of your deduction for all noncash contributions is more than $500, you must file IRS Form 8283 with your federal income tax return.

How much can I deduct if I donate my car to charity?



If you donate your car to charity, you can claim an income tax deduction for the donation if you itemize your deductions on your federal income tax return.

The fair market value (FMV) of your car represents the maximum deduction you may take on your federal income tax return. Certain commercial firms and trade organizations publish monthly or seasonal guides for different regions of the country that contain dealer sale prices or average dealer prices for recent-model cars. While these prices are not "official" and the publications are not considered appraisals of any specific donated property, they do provide clues for making an appraisal and suggest relative prices for comparison with current sales and offerings in your area. In certain circumstances, if the tax deduction you claim for your car is greater than $5,000, you may need a written appraisal of the car's FMV from a qualified appraiser.

If the charity sells your car and you claim a deduction of more than $500, you can deduct the lesser of (1) the gross proceeds of the sale (as indicated on IRS Form 1098-C) or (2) the car's FMV on the date of your contribution. In the following circumstances, you can generally deduct the car's FMV at the time of your contribution: The charity is going to significantly use your car instead of selling it; the charity is going to fix up the car materially before selling it; or the charity is going to give the car away or sell it (at a price well below its FMV) to a needy individual as part of its charitable mission. In this instance, IRS Form 1098-C should indicate which of the exceptions applies.

If the charity sells your donated car for $500 or less, you can deduct the lesser of $500 or the FMV of your car on the date of your contribution. However, if one of the exceptions noted above applies, you may generally deduct the FMV of your car.

Charitable contribution deductions are generally limited to 50% of your adjusted gross income (AGI), or 30% or 20% of AGI depending on the type of charity and the property donated. Disallowed amounts can generally be carried over and deducted in the following five years, subject to the percentage limits in those years. Your overall itemized deductions may also be limited based on the amount of your AGI.