

## Elder Financial Exploitation

Elder financial exploitation continues to be a growing problem and a sensitive topic. As part of an industry working closely with elder adults 65 and above, understanding the warning signs of elder financial abuse is an important tool in being able to help stop and prevent elder exploitation. Let's explore some red flags that can help you recognize a potential incident of elder financial exploitation and tips on how your client can protect themselves.

### What is Elder Financial Exploitation?

Elder Financial Exploitation is when someone illegally or improperly uses an elder's money or belongings for their own personal use.

### What are some red flags to watch for?

- ▶ Unusual financial activity or behavior
- ▶ Requests for changes in beneficiaries or legal documents without explanation
- ▶ New 'friends' or acquaintances helping out
- ▶ New phone numbers or email addresses
- ▶ Liquidating assets without regard as to penalties

### What can your client do to protect themselves?

- Plan ahead to protect assets to ensure their wishes are followed.
- Never give personal information to anyone over the phone unless they initiated the call.
- Consult with a financial advisor or attorney before signing any document the client does not fully understand.

### How can you help prevent elder financial exploitation?

- Educate, educate, educate! The more you know and understand elder financial abuse, the better you will be able to spot the red flags and take action.
- If you see something, say something! Report suspected abuse to the proper authorities. Ask your institution if there are any specific protocols for reporting elder financial abuse.

## Looking to earn additional CE Credits?

Oceanview is excited to offer the availability of the Elder Financial Exploitation training course through RegEd to all agents at no cost to you.

Earn 3 ethics credits by clicking [HERE!](#)

Don't have a RegEd account? Click [HERE](#) to register as a new user.



# End of Year Tax Moves for Annuity Owners

As another year draws to a close many of us are out busily shopping to find the perfect holiday gift for our loved ones, which can lead to quite a bit of anxiety. Annuity owners may also be suffering from a bit of anxiety on their own. Have they taken their full RMD? Do they not need the money? Is now the year to convert to a Roth? These are all questions that need to be answered specifically one annuity owner at a time. But, just in case your Oceanview clients decide that now is the time for some changes, here are a few things to keep in mind:

## ➤ Required Minimum Distribution (“RMD”):

Generally most IRA holders need to take a certain portion of their account values each year once they reach age 72 ½. These required distributions typically need to be made by December 31st. In order to ensure proper processing, Oceanview contract holders that wish to use a portion of their annuity to reach this required amount need to have their request received in our processing center by December 30th. You can find the documents needed for processing these requests in the “For Professionals” section of our website.

## ➤ Qualified Charitable Distribution (“QCD”):

If your client would prefer to donate a portion or all of their RMD to a 501(c)(3) charity, a Qualified Charitable Distribution (“QCD”) might be an avenue to pursue, but there are a few important rules that need to be followed in order to process these correctly.

A QCD is a direct transfer of funds from an IRA custodian, payable to a qualified charity. QCDs can be counted toward satisfying RMDs for the year, as long as these rules are met:

- QCDs are limited to the amount that would otherwise be taxed as ordinary income. This excludes non-deductible contributions.
- The maximum annual amount that can qualify for a QCD is \$100,000. This applies to the sum of QCDs made to one or more charities in a calendar year. (If, however, your client files taxes jointly, his or her spouse can also make a QCD from their own IRA within the same tax year for up to \$100,000.)
- For a QCD to count towards the current year's RMD, the funds must come out of an IRA by the RMD deadline, generally December 31.
- Contributing to an IRA may result in a reduction of the QCD amount that can be deducted.
- Funds distributed directly to the IRA owner, and which is then given to charity do not qualify as a QCD. Be sure to have these transactions processed as a transfer directly from Oceanview or other financial institution to the qualified charity.
- Most distributions from Roth IRAs do not qualify as a QCD, however, there are a few exceptions. You or your clients should seek advice from a qualified tax consultant for specifics.
- The charity receiving the funds needs to be a 501(c)(3) organization. Be sure to check that the charity has a 501(c)(3) designation before submitting a QCD request.



If your client is interested in a QCD, you can use this form (QCD form) to process the distribution from their Oceanview annuity. Remember that any distribution taken prior to the first contract anniversary is subject to a surrender charge. Please visit the IRS web site at: [www.irs.gov](http://www.irs.gov), or contact a professional tax advisor for more information.

## ➤ **Roth Conversion:**

There are a number of potential tax benefits in converting a 'traditional IRA' to a Roth IRA. Like the other actions discussed in this article, a Roth Conversion needs to be completed prior to the end of the calendar year. If you and your client are considering making this move, click on this article from a previous Compliance Corner to find out more about how to process this conversion.

## **NEW! Trusted Contact Form**

The Trusted Contact form is meant to be a resource for the agent to help the client in administering their contract. When a client names a trusted contact person, they authorize the company to contact that person to share non-public information in limited circumstances such as answering questions if there is suspicion of financial exploitation or fraud, questions or concerns about client's whereabouts or health status, to confirm a client's legal guardian, power of attorney, or trustee.

A trusted contact person cannot:

- Make decisions about client's contract
- Execute transactions in client's account
- Act on client's behalf
- Engage in activity in the client's account

Naming a trusted contact person is optional and not required. Click [HERE](#) to download your copy today.



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