

# LET'S TALK MONEY<sup>®</sup>

## Tax Strategies For Self-Employed Business Owners

Just as larger corporations do, self-employed business owners, freelancers, and gig workers need to engage in strategic tax planning to minimize liability and maximize savings.

### Be Diligent about Keeping Records

Familiarize yourself with all available deductions, including home office expenses, vehicle mileage, and equipment costs. Maintain thorough records of your expenses throughout the year to substantiate your deductions when filing taxes.

### Review Your Business Structure

Your business—whether you're a sole proprietor, an LLC, or an S corporation—can significantly affect your tax liability. Each structure has unique tax implications. Talk with your tax professional before the new year to ensure you're taking advantage of the most beneficial structure. For sole proprietors, for instance, forming an LLC may provide better liability protection and potentially lower self-employment taxes.

### Contribute to a Retirement Plan

Contributing to small-business retirement plans, such as Solo 401(k)s, SEP IRAs, or personal IRAs, helps you invest for the future and may offer immediate tax advantages.

### Pay Estimated Taxes

If you don't have tax withheld from your income, you'll need to make estimated tax payments to avoid penalties. Monitor your income and expenses throughout the year to determine how much to set aside for quarterly payments.



### Stay on Top of Changes

Planning to buy tangible business assets—equipment, vehicles, software, or improvements to nonresidential real estate? Recent enhancements to bonus depreciation and Section 179 expensing allow you to write off costs in the first year to minimize taxes. Because expensing limits adjust annually for inflation, strategize whether to buy in 2026 or 2027.

If you receive or issue IRS Forms 1099-NEC or 1099-MISC for payments to nonemployees, the reporting threshold rises from \$600 to \$2,000 in 2026. This amount will adjust for inflation in future years. Reporters will have less work, while form recipients should plan to track and report small fees received.

Connect with your trusted advisor now to create a focused, forward-looking tax strategy that positions you for savings in 2027 and beyond. Act today to ensure you're prepared for upcoming changes and to maximize every opportunity.



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I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Small Business Version

**LTM** Client Marketing  
helping financial professionals stay connected

# Protecting Fido, Too

Many pet owners overlook the financial risks associated with pets. Pets, like humans, can face unexpected illnesses or accidents that require costly veterinary care.

## Peace of Mind

Pet insurance helps offset the cost of care. The three main types of coverage are wellness, accident, and comprehensive. Insurers may also offer additional optional coverage within each category. According to the North American Pet Health Insurance Association, average monthly premiums for accident-only policies are \$16 for dogs and \$9 for cats. For accident and illness policies, premiums average \$62 per month for dogs and \$32 per month for cats. More comprehensive coverage generally costs more than these amounts, depending on plan details.

## Caveats

Generally, you must meet a deductible before the insurance takes effect, and many policies don't cover preexisting illnesses. Waiting periods for coverage are common. Failing to keep your pet up to date on vaccines will likely exclude coverage for preventable diseases.



You'll want to explore all your options before purchasing pet insurance. For some people, it's more cost-effective to save for routine veterinary care and buy accident-only coverage.

# Life Insurance: You Have Options

Life insurance\* proceeds can provide a financial lifeline for loved ones if something happens to you. The type of policy you choose may depend on how long you'll need coverage and the policy's cost.

## Term Insurance

Term insurance provides coverage for a set period, typically 10 to 30 years, though shorter and longer terms are also available. If you die during the term, the policy pays a death benefit to your beneficiaries. A term policy has no cash value. It is less expensive than permanent insurance and may be a good choice when others depend on your income.

*required premium is paid to put an issued policy in force. Accessing cash values may reduce the death benefit and policy values, trigger tax consequences, surrender fees, and charges, and may require additional premium payments to maintain the contract. Guarantees are based on the claims-paying ability of the issuer.*

## Permanent Insurance

Permanent insurance generally remains in effect as long as you continue paying premiums. In addition to the death benefit, the policy builds cash value over time. Permanent insurance is a good option if you want lifetime coverage, access to the policy's cash value through withdrawals or loans, and are comfortable with higher premiums.

Your insurance professional can help you choose the right policy for your circumstances.



*\*Applications for life insurance are subject to underwriting. No insurance coverage exists unless the*

# Understanding Beneficiary Designations



Your will is an important document for passing assets to loved ones upon your death, but it doesn't cover everything. Life insurance proceeds, retirement accounts, annuities and similar accounts pass through beneficiary designations and are not governed by your will.

## Review Your Selections

You chose a beneficiary when you initially set up your accounts. But things can change. Divorce, death of a beneficiary, or even a change in your intentions can affect your selections. Revisit your designations periodically to ensure they're up to date.

## Check Old Accounts

Forgetting about 401(k) or other retirement accounts held with former employers can result in outdated beneficiary designations. Remember to include these accounts in your review.

## Avoid Mistakes

Take special circumstances into

account when you're naming beneficiaries. Minors will not be able to claim assets until they turn 18 or 21 (depending on the state). Individuals with special needs can lose valuable government benefits if they receive an inheritance directly. Setting up a trust to receive the assets may help in both situations.

Keep in mind that godparents are not the same as legal guardians, but could be a good choice to serve as trustees.

## Integrate with Estate Planning

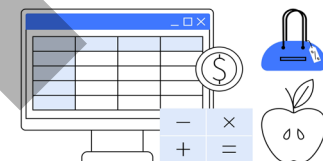
Your financial professional can help you review your beneficiary designations as an integral part of your estate plan.

# Adopt Healthy Money Habits

If your family saved responsibly for the things they wanted to buy, chances are you will, too. But if your family squandered money and never saved, their bad money habits may be influencing how you handle your finances. Make sure you're practicing good money habits like the ones below.

## Examine Your Spending Habits

Buying small items, such as coffee and a bagel, every day on your way to work can add up to a substantial amount over time. Write down everything you buy for one or two weeks to see how much you're spending. You might be surprised by the total. Once you see where your money is going, you can adjust your spending habits.



## Live Within Your Income

Paying with cash means you'll be able to spend only as much as you have on hand. If you use a credit card, make sure you can pay off the balance when the bill arrives.

## Pay Yourself

Treat your savings like a bill by putting money into your account every month before you pay anyone else. As your income rises, increase the amount you save.

## Follow a Spending Plan

Build a monthly budget based on your income and expenses. Remember to account for items you pay annually, such as insurance or a homeowner association.

# By The Numbers: AI & Emerging Threats

While Artificial Intelligence (AI) has emerged as a useful tool for individuals and businesses, it has also introduced more cybersecurity threats and attacks, according to the CrowdStrike 2026 Global Threat Report. Review the numbers and assess your AI security.



**AI as a Weapon – 89% increase in attacks by AI-enabled adversaries (YoY)**

**AI as a Target – Prompt Injection, GenAI tools exploited at more than 90 organizations**



**Detection Trends - 82% of detections in 2025 were malware-free**

**Attack Speed - 65% increase year over year in average eCrime breakout time at 29 minutes, Fastest recorded breakout: 27 seconds**



Source: CrowdStrike 2026 Global Threat Report

# Wealth Preservation with an FLP

A family limited partnership (FLP) is a business or holding company owned by two or more family members. It is designed to preserve a family's wealth and pass it from one generation to the next while reducing or eliminating gift and estate taxes. Assets held in the FLP also receive some protection from creditors and lawsuits.

## Partnerships

An FLP consists of two types of partners: general partners and limited partners. General partners typically own the largest share of the business and control asset management and decision-making. They may take a management fee from profits. Limited partners contribute capital and have limited or no role in day-to-day business operations.

## How to Create an FLP

Creating an FLP involves several steps:

- Choosing the family members (partners) who will manage and own FLP assets;
- Drafting a partnership agreement specifying each partner's responsibilities and ownership percentages;
- Contributing assets, including investments, real estate, or business interests. The FLP then becomes the owner of the assets;
- Valuing the assets for tax purposes and establishing each partner's initial interest by employing an independent appraiser;
- Filing paperwork with the state where the FLP was established;
- Maintaining compliance by adhering to the terms of the partnership agreement and following all legal requirements.

## FLP Disadvantages

FLPs are costly to set up and maintain. An FLP's limited liquidity can create problems during financial emergencies. There is also the risk of members incurring debt that impacts other FLP members.

Tax laws governing FLPs are complex. Families should consult a qualified tax professional, estate planning attorney, and financial professional before proceeding.



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## We Value Your Input...

Your feedback is very important to us. If you have any questions about the subjects covered here, or suggestions for future issues, please don't hesitate to call. You'll find our number on the front of this newsletter. It's always a pleasure to hear from you.



## ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

May 26, 2026

Reference: **FR2026-0501-0382/E**

Org Id: 23568

1. LTM Small Business Sep/Oct 2026  
Rule: FIN 2210  
5 Pages

Our review is based on the understanding that the final version of this communication will prominently disclose the name of the member, pursuant to FINRA Rule 2210(d)(3)(A). If our understanding is inaccurate, please notify the Department immediately as additional comments are necessary.

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury  
Principal Analyst

This year's Advertising Regulation Conference will be held October 15-16 in Washington, D.C. For more information and to register, please visit our website at: <https://www.finra.org/events-training/conferences-events/2026-finra-advertising-regulation-conference>

Please be advised that the Advertising Regulation Electronic Filing (AREF) application is being modernized as part of FINRA Forward. The updated platform launches June 1, 2026. Resources to assist your firm with the transition, including a navigation guide and video walkthrough, are now available on [FINRA.org](https://www.finra.org). We encourage your team to review these materials in advance of the launch.

*Please send any communications related to filing reviews to this Department through the Advertising Regulation Electronic Filing (AREF) system or by facsimile or hard copy mail service. We request that you do not send documents or other communications via email.*

**NOTE:** *We assume that your filed communication doesn't omit or misstate any fact, nor does it offer an opinion without reasonable basis. While you may say that the communication was "reviewed by FINRA" or "FINRA reviewed," you may not say that we approved it.*