

Why Thieves Love Your SSN

Your Social Security number (SSN) is critically important to your identity. A dishonest person can wreak havoc on your life by stealing your SSN, and not just financially.

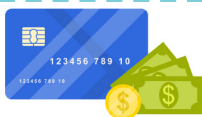


The many ways thieves can disrupt your life include:

1. Using your SSN to get themselves out of a ticket, or if they're arrested. This could lead to problems if an employer does a background check.
2. Using your number for medical records, putting you on the line for medical bills or insurance claims. This could affect future coverage for you. Watch your mail for medical bills you didn't incur or look for notices from your insurance company for claims you didn't file.
3. Filing a tax return with your SSN to get a refund. This is essentially stealing from the U.S. Treasury — and you.
4. Using your number to open utility accounts, such as electricity, gas, cable or phone accounts, in your name.

Protect your personal information. If you do suspect someone is using your SSN, contact the Social Security Administration at **1-800-772-1213**. And never, ever, give out your SSN over the phone, in an email or online to someone you don't know.

TOPDOLLAR TIP: CASH-BACK CARDS



Cash-back credit cards are a useful financial tool with

1 caveat: You don't carry a monthly balance. It's common for consumers to look for bells and whistles on credit cards, such as cash back, shopping points, travel points, mileage and other reward systems.

However, if a person carries a balance on the credit card, money could be wasted. For example, if a person carries a \$2,500 balance on a credit card with a 16% interest rate and continues to charge items for rewards, they aren't making the best financial choice. A person could purchase a plane ticket for less than the interest they are paying on the credit card balance.

If you must carry a balance, look for the lowest interest rate, period. If you pay in full each month, look at the extras available. Do your research: Check online to compare credit cards and rewards offered to make the best choice for you.

Simple and Fixed Annuities: Pros and Cons



Many people worry about running out of money during retirement. A common goal for people still employed is to find financial tools that will provide income that will last throughout their post-work lives.

An annuity is such a tool. An annuity is a contract with an insurance company that provides payments according to an agreed-upon schedule. Annuities can be immediate, meaning they are fully funded, and payments to you begin immediately. Or annuities can be deferred; you pay into the annuity during your working years and then receive payments from the annuity at a future date, typically retirement. Investing in deferred annuities requires extensive consideration.

Advantage: Annuities provide a predictable source of income for a certain time period. **Disadvantage:** Annuities have numerous restrictions, administrative charges, commissions, purchase fees, withdrawal charges and penalties.



The bottom line: Avoid investing in deferred annuities until you've maximized all other tax-sheltered accounts. This means contributing the legally permitted maximum amounts to 401(k), traditional IRA and Roth IRA accounts. These retirement accounts have much better benefits than those of deferred annuities. If you're interested in buying an annuity, wait until retirement to decide.



Teens and Credit Cards

Parents want their children to develop smart money management skills and grow up to be financially literate adults.

So, if you're a parent, should you let your teen have their own credit card? Legally, a minor cannot have a credit card solely in their name. Because your credit will be linked to your teen's account, awareness is key for a positive experience.

Here are a few dos for teens and cards:

DO regularly discuss spending and budgeting. Responsible spending isn't always intuitive.

DO talk to your teen about how credit works. Teach basic credit concepts.

DO set spending limits on the cards.

DO regularly check your credit card statements. Stay aware of how much and what your teen is buying.

DO emphasize that having credit is a privilege and is also a huge responsibility.

As your teen transitions from high school to college, it is imperative to establish a budget for them. Review monthly spending with them to make sure their newfound freedom at college isn't misused. Discuss what terms such as APR, balance and interest mean.

Regardless of how you teach your children money management, remember that it is the time you spend with them and your conversations that matter, not the credit card.

TOPDOLLAR DICTIONARY: Cryptocurrency

Cryptocurrency is a cross between a currency (you can use it to pay for things) and a digital asset (you can invest in it). Cryptocurrency only exists on computers. Users open a cryptocurrency wallet (like a bank account) to buy, sell, receive and store digital currency. Instead of using a bank, transactions are stored on a public ledger called a **blockchain**. It is decentralized, meaning it is controlled by users and computer algorithms and not a central government. The cryptocurrency market is extremely volatile. Make sure you only use money you can afford to risk losing.



Online Banking 101



Have you heard of online banking, but you're not sure what it is? Online banking involves using a computer or mobile device to transfer money, make deposits, pay bills, view your bank balances and other banking activity.

Online banking has several advantages:

- You save time, gas and postage when you pay bills.
- Online banks are open 24/7.
- You can check your balance and make transfers via an app or online to keep your bank balance healthy.

And it has some disadvantages:

- If you don't have a strong, reliable connection, you could have difficulty doing your banking.
- Not all payments can be made online; writing checks or paying in person may still be necessary.
- Some online banks may not have brick-and-mortar branches, making resolving account issues difficult.

With real-time updates, fraud alerts, notifications and encryption, online banking can make personal finance easier. But always make sure you use a secure connection. Check your devices regularly for malware and keep your security apps updated.



The Smart Moves Toolkit including this issue's printable download, **Watch These Calorie Traps**, is at personalbest.com/extras/20V1tools.

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