



CYPEN & CYPEN NEWSLETTER for NOVEMBER 19, 2020

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Never Forget September 11, 2001
and
Always Remember May 2, 2011

1. THE FINANCIAL WELLNESS PROGRAMS PUBLIC EMPLOYEES NEED:

The financial vulnerability so many Americans are experiencing in the current health and economic crisis is being felt as well by many of our nearly 19 million state and local government workers, 56 percent of whom report suffering financially as a result of the pandemic recession. In an effort to ensure benefit sustainability and adequacy, many governments in recent years have reformed retirement and health plans, often shifting more costs and decision-making onto individual employees. As a result, it is increasingly clear that

now is the time for public-sector employers of all sizes and types to incorporate financial wellness programs into their employee-benefit offerings.

Though 65 percent of state and local government employees believe it is important for their employers to offer a financial literacy program, only 29 percent of those governments have such a program. Yet even before the pandemic, 88 percent of public-sector employees reported worrying about their finances and financial decision-making, and two-thirds reported worrying about these while at work.

Since March, state and local employment has contracted by some 1.1 million jobs. The longer-term impact that the current economy will have on state and local revenues and public workforce employment levels is still unclear, but at the individual level 47 percent of state and local workers predict that their own financial situations will worsen. The need for financial wellness in the public sector is far from new, but it has certainly been exacerbated.

The benefits of financial wellness programs for governments go beyond simple concern for employees' wellbeing. Going into 2020, governments struggled to recruit and retain enough employees with the essential skills needed to fill key positions at a time when low national and regional unemployment rates supercharged talent competition. The revenue losses and reduced government hiring resulting from the pandemic have pushed that problem aside for now, but there's every reason to think it will return to center stage when the economy begins to recover.

In the near term, financial wellness programs will help public-sector workers mitigate the impacts of the current economy. In the longer term, the programs will help demonstrate that states and localities want to invest in their employees, assist them in planning for important financial life events, and aim to reduce workplace stress, all of which increase job satisfaction, retention and productivity.

Financial wellness programs encompass a broad range of financial-literacy subjects, from retirement planning to budgeting to home ownership to managing debt, savings and medical expenses. While these programs have been expanding overall, they are not one-size-fits-all. An effective program requires an acute understanding of a given audience's particular needs, and few initiatives have been developed and tailored for use by either state and local government workers, or subsets of employees within the sector.

In an effort to improve the financial wellness of the state and local public-sector workforce, our

organizations have collaborated and, with the support of the Wells Fargo Foundation, created a new national initiative that has provided financial wellness grants to state and local governments. Twenty-four organizations recently received a combined total of nearly \$1.4 million from the initiative to establish financial wellness programs or improve existing ones.

Additionally, new digital tools will assist public-sector organizations in their ongoing efforts to promote financial wellness. Whether or not entities received a grant, they will be able to use these tools to help build a common understanding of financial wellness with employees, support the development of new or ongoing policies and/or programs, and garner public support and participation. These resources aim to assist programs in guiding public-sector employees toward both their short-term and long-term financial goals, while taking into account their various life stages and broad array of financial management and planning needs.

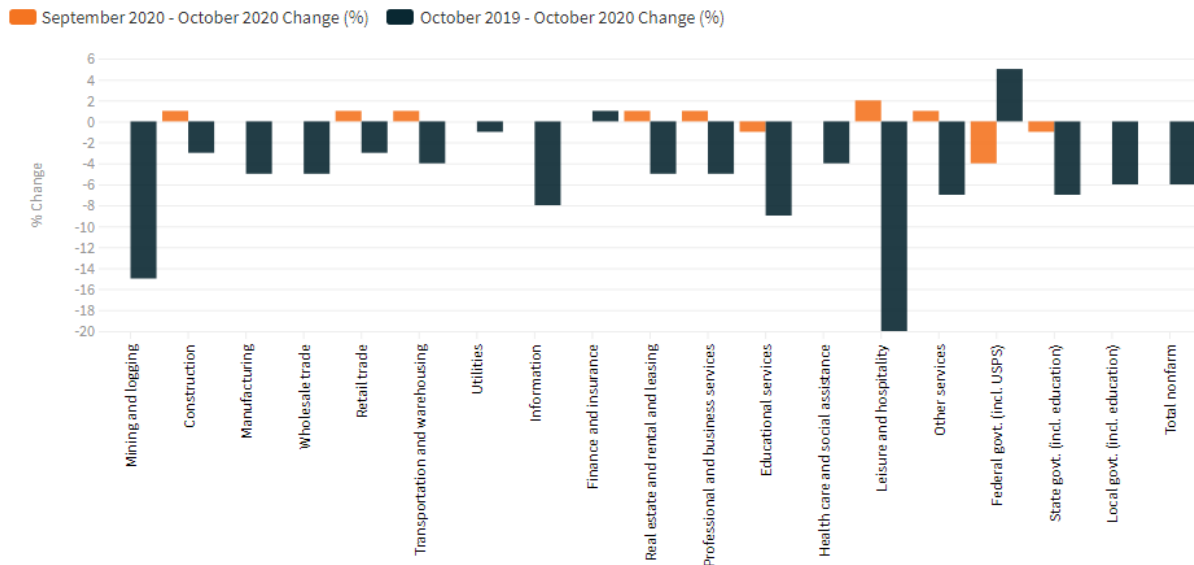
While industry experts are predicting that financial wellness will become a main priority for employers following the pandemic, we must continue taking steps to ensure that this includes public-sector employees and their unique attributes. In creating these resources and supporting existing programs, we hope to help governments take action. Joshua Franzel, Shaun Snyder and Cara Woodson Welch, *GOVERNING*, www.governing.com, November 12, 2020.

2. LOCAL GOVERNMENT EMPLOYMENT STILL 4% BELOW PRE-COVID LEVEL:

As the U.S. goes through a major resurgence in COVID-19 cases, the local government continues to inch back toward its pre-pandemic employment levels.

But that's about the end of the good news, such as it is, for government employment. The most recent numbers from the Bureau of Labor Statistics show a loss for employment in state and local government when education is included — using seasonally adjusted numbers, education jobs have been receding lately.

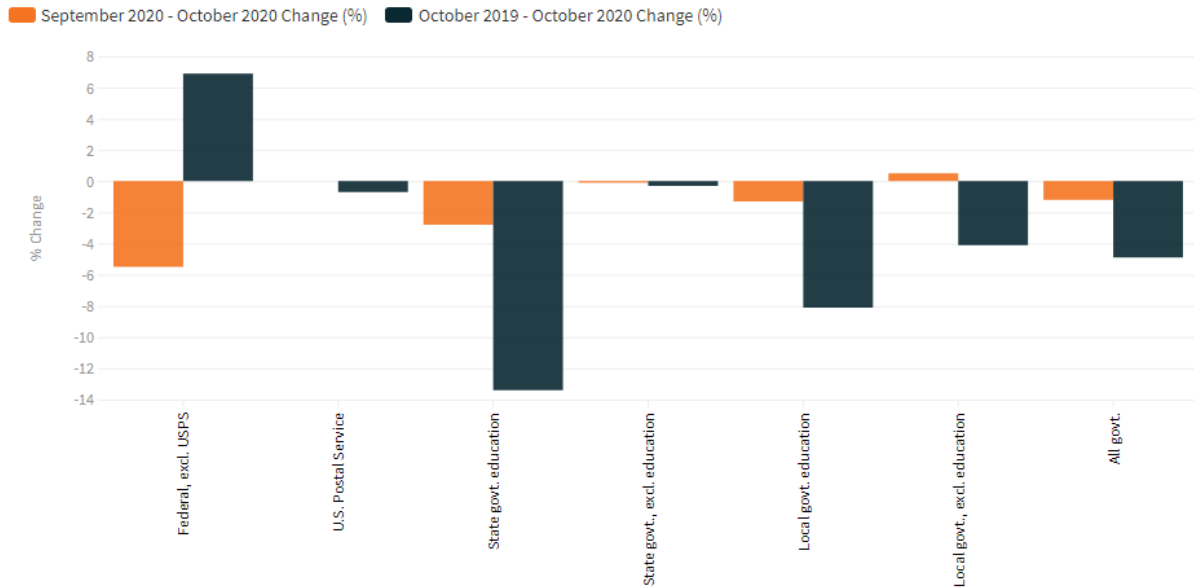
Percentage Change in Employment by Industry (October 2020, Seasonally Adjusted)



Source: [U.S. Bureau of Labor Statistics, "Employment Situation" Table B-1](#) • Note: Data represent a one-week snapshot of employment during the week of the month containing the 12th.

If one excludes education, local government added 33,300 jobs in October, good for a half-point increase. State government jobs dropped slightly, and federal employment dropped amid Census-related trends.

Percentage Change in Government Employment (October 2020, Seasonally Adjusted)



Source: U.S. Bureau of Labor Statistics, "Employment Situation" Table B-1 • Note: Data represent a one-week snapshot of employment during the week of the month containing the 12th.

Local government, excluding education, remains more than 4 percent lower than it was at the same time last year, illustrating the challenge most cities and counties are facing amid a recession and a month's long lack of federal aid.

While aid to state and local government has reportedly been a sticking point in negotiations over federal economic legislation, president-elect Joe Biden has specifically named it as a priority in his transition plans. Ben Miller, *GOVERNING*, www.governing.com, November 17, 2020.

3. AS PUBLIC PENSION COSTS SOAR, SOME SOUTHERN CALIFORNIA AGENCIES TURN TO CONTROVERSIAL BORROWING TO FILL DEEP HOLES:

The little agency responsible for killing mosquitoes and rats in the Coachella Valley will see its bill for worker pensions nearly triple over just four years.

Payments will also nearly triple for Cal-OPTIMA, Orange County's health care system for low-income people, seniors and those with disabilities, as well as for the Los Angeles Memorial Coliseum Commission, the folks who bring events to the historic stadium in Exposition Park.

They'll more than double for the Orange County Transportation Authority, which runs buses and builds highways, and for the Los Angeles County Development Authority, which works on affordable housing and economic development.

The list goes on. As the most severe economic crisis since the Great Depression bears down on public agencies, California's cities and special districts are slated to pay \$5.03 billion to fill outstanding holes in their pension plans in 2022, a painful hike of 43% over what they paid to fill those holes in 2019, according to data from the California Public Employees' Retirement System.

That's on top of the "normal cost" they pay to cover pensions each year. And it will get worse before it gets better: Agencies will kick in even more over the next five or so years to make up for losses suffered during the last recession.

'Unwelcome news'

"California cities are facing multiple pressures on their budgets, and so projections of increased pension obligations are certainly unwelcome news," said Bijan Mehryar, a legislative representative for the League of California Cities, in a statement.

"Cities in California are already facing a \$7 billion general revenue shortfall resulting from the COVID-19 economic shutdown. ... Any additional costs will make it extremely difficult for cities to maintain core services to residents."

Older cities with their own fire and police departments have particular challenges, because public safety pensions are the most expensive. Cities also are far more dependent on local sales and hotel bed taxes, which have taken a beating in the pandemic. Water, sewer and other special districts generally have much steadier revenue streams from property taxes and service fees, and aren't under much strain, said Dillon Gibbons of the California Special Districts Association.

CalPERS, for its part, said it recognizes the financial impact that the current environment has placed on employers. "We continue to work closely with our employers to provide them with the tools they need to help them better understand their costs and prepare for the future during this difficult time," it said in an email.

There are some agencies, however, that dramatically buck the trend -- shrinking outstanding

pension bills even as costs skyrocket for others. They include cities like Irvine, Inglewood, Riverside, Ontario and Monrovia, as well as districts like the Riverside County Transportation Commission and the Riverside Transit Agency.

Sometimes, though, cities do this by issuing pension obligation bonds, which depend on arbitrage -- borrowing low and investing high -- to work, passing today's costs on to tomorrow's taxpayers.

What's happening?

Big pension debts are a function of generous retirement formulas approved by state and local officials in the halcyon days after 1999, when markets were booming, retirement systems were "super-funded" and actuaries said sweetened benefits would cost next to nothing, because earnings on investments would essentially pay for them.

Officials signed on with gusto, especially in the wake of 9/11, when they were "stepping over each other to bestow wage increases and higher pensions to all first-responders," said Marcia Fritz, former president of a California pension reform group. Toss in "pension holidays" (when funds looked so healthy that officials quit putting money into them, sometimes for years), a crippling recession, lengthening life spans, a spike in retirements and reductions in what pension plans expect to earn on investments, and you get a hole hundreds of billions of dollars deep. Or deeper.

Stanford University's Pension Tracker looks at the hole through two different lenses.

- The rosier one, used by California officials, assumes that investments will earn returns of about 7%. That puts unfunded liabilities at \$352.5 billion statewide, or the equivalent of \$27,187 per household.
- The darker one, used by Stanford's Joe Nation, a former Democratic state assemblyman and professor of public policy, assumes the much lower return rate of 3.25%. That pegs unfunded liabilities at nearly \$1.1 trillion, or \$81,634 per household.

If that hole isn't filled up with meatier earnings and heftier contributions from public agencies and their workers, taxpayers will be called upon to fill it directly.

Some argue that's already happening. In 2020, there were at least 99 local sales tax measures on the ballot in California. None of them said, "We need more money, in part, to pay for spiking public pension costs," but they did say things like "for municipal services, including

emergency response, public safety, clean drinking water, local businesses, street repair, after-school, youth, disabled and senior programs, and addressing homelessness” and “for general city services.”

While many results are not yet final, it appears that at least 72 of those sales tax measures passed, including in Long Beach, Bellflower, Beverly Hills, Carson, Commerce, Culver City, Gardena, Hawaiian Gardens, Lake Elsinore, Lakewood, Lancaster, Lomita, Long Beach, Los Alamitos, Montclair, Montebello, Norwalk, Palmdale, Paramount, Redlands, San Bernardino, San Fernando, San Gabriel and Signal Hill.

Another 26 appeared to fail, including in Artesia, Avalon, Bell, Cerritos, Corona, Diamond Bar, Fullerton, Menifee, Monterey Park and San Dimas.

This is where reformers start talking about “generational equity,” as the cost of services enjoyed today are passed down to future generations.

Paying it down

Irvine continues its streak as the healthiest large city in America when examined through the lens of long-term fiscal soundness, according to Chicago-based watchdog group Truth in Accounting. It has curtailed spending, frozen vacancies and asked its vendors and contractors for price reductions -- and most of them actually said yes, said Marianna Marysheva, Irvine’s interim city manager.

The city has managed to shrink unfunded liabilities by 23% over four years, making millions of dollars in additional payments annually.

“We’re somewhat unique in that,” Marysheva said. “Some of that is paying off, but so much is working against it.”

Pushing costs up are annual cost-of-living increases, employees working for more years, retirees living longer than the funds planned for, and the mediocre performance of the CalPERS portfolio, she said. While the giant retirement system plans on a 7% return on its investments, it returned just 4.7% this year.

CalPERS says it’s “successfully executing on our investment strategy to achieve strong returns and full funding over the long term,” and that while employer costs are slated to increase for a few years, “achieving our target return will provide a slow and steady decline in

rates in three to five years.”

Irvine’s Marysheva is very cautious. “The next four to five years are going to be challenging, with prolonged impact from the pandemic on sales and hotel taxes,” she said.

Many cities and districts are using “pension rate stabilization plans” to ease long-term burdens, similarly kicking in more money than required each year to shrink liabilities -- the Orange County Vector Control district among them. But others have reduced bills via a more controversial strategy, by issuing the pension obligation bonds. That’s essentially borrowing money at a low interest rate, investing it to earn a higher interest rate, then reaping the difference. Finance types call it “arbitrage.” Others liken it to gambling.

Lemonade from lemons

“POBs involve considerable investment risk, making this goal very speculative,” says the Government Finance Officers Association, which frowns upon them. “Failing to achieve the targeted rate of return burdens the issuer with both the debt service requirements of the taxable bonds and the unfunded pension liabilities that remain unmet because the investment portfolio did not perform as anticipated.”

In recent years, agencies across the country have faced increased financial stress as a result of reliance on such bonds, demonstrating their significant risks, the organization says. Stockton and San Bernardino, which recently endured bankruptcies, are among them.

But sketchy results spring from ill-advised timing, writes Girard Miller, former chief investment officer for the Orange County Employees Retirement System and author of “Enlightened Public Finance.” in the journal Pensions & Investments. If done properly, when money is cheap to borrow, POBs are “a worthwhile public finance strategy and instrument that may be able to come to the rescue of public employers,” he wrote. “It’s finally now time for public pension funds and their sponsoring employers to make lemonade from lemons.”

This year, the city of Ontario issued POBs -- and arranged internal borrowing -- that is projected to save \$170 million over the next 30 years, said spokesman Dan Bell. Its annual payments for unfunded liabilities are slated to plunge from \$15.3 million in 2019 to \$1.7 million in 2022.

“Saving money seems to be fiscally sound,” Bell said. “This has put us in a good position. And if the PERS rates go up again and again over time, what we’re saving would be even larger.”

Monrovia issued POBs in 2017 that are projected to save it \$43 million, said City Manager Dylan Feik. Its bill for outstanding liabilities is projected to plunge from \$5.9 million to \$578,487.

But still, Feik said, its unfunded liabilities are expected to rise. It also increased hotel bed taxes and negotiated greater worker contributions to CalPERS. It's setting aside money in a pension trust fund and considering payoff plans every time the unfunded liability rises. "The employees, Council and community seem to have bought into the approach and we hope to see long-term stability in the not-so-distant future," he said.

Cities are being creative and innovative, but there's only so much they can do. "The latest CalPERS projections further highlight the need for all stakeholders to evaluate the current system and have an honest conversation about how we achieve a system that is both sustainable and affordable, and that any systemwide changes, such as lowering the discount rate, do not rely exclusively on employers paying more," said Mehryar of the League of California Cities. Teri Sforza, Orange County *Register*, www.ocregister.com, November 15, 2020.

4. MIAMI TO REVERSE POLICE AND FIRE CUTS AFTER REVENUE BUMP:

Miami's city government projected an almost \$30 million budget hole as the fiscal year closed in September, a gap that led commissioners to cut more than 100 public-safety jobs, close the municipal mini-dump, shorten hours at a popular public pool and cancel city-sponsored parades and fireworks displays.

Slumping revenues from a COVID-addled economy were to blame for the hit to Miami's \$1 billion budget. Now, the city has found the proverbial \$20 in its pocket -- in this case, more like \$28 million.

Administrators say their previous projections, using data from May, greatly differed from actual revenues, according to an internal budget memo obtained by the Miami Herald on Wednesday. The unexpected revenue lessens the financial blow, which gobbled up a previous surplus, ate into reserves and threatened to force cuts.

"Actual revenue performance was more in line with the original budget and sustained through the economic shutdown associated with the COVID-19 pandemic, especially at the end of the fiscal year," reads the memo. "Overall, revenues performed 3.4%, or \$28.2 million, better than

projected based on May data.”

The document states that a combination of unexpected franchise fees, taxes, direct revenue to the city for services and one-time settlements pushed the city’s financial position onto stronger footing. Austerity measures across city departments also cut expenses more than anticipated.

The additional cushion allows the city to adhere to its financial regulations that require percentages of revenue to be put away in reserves. With a smaller deficit of about \$2.7 million, some controversial cuts are now expected to be restored.

The budget office is recommending the city give employees raises, fund 80 jobs in the police and fire departments and pay for other high-priority projects that would’ve been sidelined.

It is unclear if any other cutbacks, from pool hours to a controversial shakeup in the city’s resilience office, will be immediately reconsidered. Miami Mayor Francis Suarez said the city could revisit some other changes when it reviews the budget in the spring.

“I think everything is on the table. It’s going to be driven by revenues,” he told the Herald. “We’ll probably take a look at it during the mid-year.” Suarez, along with commissioners and city staff, are expected to formally announce the budget revelation at a press conference Thursday morning.

On Wednesday, commissioners were relieved the projections were too conservative.

“I’m so glad that now we don’t have to take radical measures that affect people’s lives,” said Commissioner Manolo Reyes.

One commissioner who has previously doubted the budget office’s work remained skeptical. Commissioner Joe Carollo said it would be harder for municipal employees and the public to trust the city’s staff going forward.

“I do not understand or comprehend how we were being told by the budget director that we were so far into the hole, and now we’re not,” Carollo said. “I know we’re called the Magic City, but I just don’t believe that this was magical.”

Part of the angst stemmed from proposed cuts and wage freezes that impacted three large

labor unions representing police, fire, and general employees. The budget crunch underscored negotiations with Miami's Fraternal Order of Police, which sparked a squabble among union members this week.

Police union president Tommy Reyes had been struggling through negotiations with the city when he received a call from the city manager this week informing him of new revenue projections.

Reyes had previously been told the city planned to eliminate more than 60 positions if the union couldn't come up with about \$5 million in cuts. On Tuesday, Reyes said discussions with City Hall seemed to come to a halt about two weeks ago and that he hadn't heard from City Manager Art Noriega in 11 days.

After hearing of the improved budget outlook, Reyes said he believe the city was not as hard up as officials were making it out to be.

"We kind of predicted this," he said.

Saying it was a win for everyone -- police, city officials and residents -- Reyes criticized the city for a lack of planning and said these numbers should have been available several months ago. In an already difficult atmosphere, he said, officers were stressed by the city's demands.

"It takes a toll on someone's health," he said. "There's a stress level. It would have saved us a lot of heartache." Joey Flechas and Charles Rabin, Miami *Herald*, www.miamiherald.com, November 12, 2020.

5. POLICE, FIREFIGHTERS, DISPATCHERS IN MURFREESBORO GET 5.5% PAY INCREASE FROM COUNCIL:

Murfreesboro's public safety workers saw their paychecks increase by 5.5% to improve recruitment and retention, officials said.

"With everything that's going on nationally, now is the time that we make sure that we retain the brightest and best in our public safety departments," Murfreesboro Mayor Shane McFarland said. "It's imperative to keep our pay at the top end of comparable cities to be able to retain and recruit the best of the best."

McFarland and other members of the Murfreesboro City Council recently agreed to pay raises

for all employees for this fiscal year and provided a bigger increase for the public safety workers. The council initially delayed raises and city improvement plans because of concerns that tax revenues would be down because of the pandemic.

The latest sales tax revenues, however, increased by 6% the first three months of the fiscal year in July, August and September, so the council agreed to the raises, which went into effect Nov. 1, 2020.

The raises include a 1.5% cost of living increase and a 2.5% step increase for another year of service if eligible on the pay table. Public safety workers gained another 1.5% "market adjustment" hike to make their wages more competitive with what other governments pay, City Manager Craig Tindall said.

"The market adjustment addresses the competitive recruiting situation, the need to retain experienced, well-trained public safety employees, and it recognized the city's future needs for public safety employees as the city continues to grow," Tindall said.

All the employee pay increases are 1% of the Murfreesboro government's budget, Tindall said, or approximately \$1.86 million.

Employees leaving seek pensions

Councilman Ronnie Martin said another reason pay for public safety workers needs to be more competitive is that the city stopped offering pensions to new employees in 2010 due to a recession. To save money from the city paying what equals at this time 18.16% of a worker's pay toward a pension, the council switched to a defined contribution plan that allows employees to contribute up to 8% of their paycheck to a retirement fund with the city providing a match of the same amount.

"Our salaries are lower than several of the surrounding municipalities," Martin said. "That's something we're trying to fix gradually. We've got to get our salaries competitive to make sure we get the quality in first responders of police and firefighters that we want. That's a critical role, and we don't want to shortcut that."

Murfreesboro Firefighters Association President Josh Oliver wishes city officials would bring back pensions for all employees.

"They are having a hard time as a rookie firefighter," said Oliver, a 23-year firefighter who's

remained on the pension plan. "Most of these guys are working two or three jobs to make ends meet. We have some firefighters who are eligible for food stamps to help take care of their children."

Although Murfreesboro may save money on the front end by not having a pension plan for new hires, the city's investment to train the firefighters for two to three years ends up being wasted when they leave to work for other fire departments with pensions, Oliver said.

"They are leaving for higher-paying jobs in the surrounding counties," Oliver said. "Most everyone who's leaving is leaving for a pension system of some kind."

Nashville attracts Murfreesboro firefighters

An entry level firefighter trainee in Murfreesboro earns \$36,042 before going to \$36,736 in step 1 of the pay scale as a trained firefighter. A step 5 firefighter with five years of experience earns nearly \$43,862.

The increase in wages will especially help the firefighters on the lower end of the pay scale, Fire Rescue Chief Mark Foulks said.

"It helps us compete with sister agencies, such as Franklin, Hendersonville and Nashville," Foulks said. "If we lose employees, it's typically to one of those agencies, and it's typically because of pay. In some cases, it may be because they have a defined benefit retirement (pension)."

The city has faced turnover with firefighters, Foulks said.

"This year alone, we've lost five firefighters that have gone to Metro Nashville to work," Foulks said. "The reason we have gotten on every exit interview that we've performed is because of pay and a defined benefit retirement."

Metro Nashville government pays an annual salary of nearly \$42,260 to a firefighter academy trainee, or \$6,000 more than what Murfreesboro pays. Nashville firefighters then see their pay go to \$46,959 after six months and then \$50,334 after completing their probationary period. By year five, a Nashville firefighter is making a little more than \$57,000.

Police Chief Bowen pleased with raises

Nashville's pay scale for firefighters and police officers is the same.

Murfreesboro's entry level pay for a police officer trainee climbed to \$41,683. A trained officer in step 1 of the pay scale earns \$45,955. By step 5, the pay goes to \$50,726.

The raises pleased Police Chief Michael Bowen.

"We are thankful for the Murfreesboro City Council and their continued support as our agency and city continue to grow," Bowen said.

Pay for local police departments:

- **Murfreesboro:** Pay for entry-level police officer trainee before annual step increases, \$41,683; pay for trained officer in step 1 of pay scale, \$45,955; pay for officer by step 5 of pay scale, \$50,726
- **Smyrna:** Entry-level pay for police officer trainee is \$40,223; average for fifth-year police officer is about \$50,000 (varies based on education, experience and performance)
- **La Vergne:** Entry-level pay for police officer is \$17.62 per hour (base annual pay of \$36,650); fifth-year officer earns \$21.44 per hour (base annual pay of \$44,595)
- **Rutherford County:** Sheriff's deputy starts at a range of \$37,787 to \$42,915 commensurate with prior law enforcement experience; fifth-year patrol deputy earns \$42,915

Pay for local fire departments:

- **Murfreesboro:** Pay for entry-level firefighter trainee before annual step increases, \$36,042; pay for trained firefighter in step 1 of pay scale, \$39,736; pay for firefighter by step 5 of pay scale, \$43,862
- **Smyrna:** Entry-level pay for firefighter trainee is \$37,118; average for fifth-year firefighter is about \$44,000 (varies based on education, experience and performance)
- **La Vergne:** Entry-level pay for firefighter is \$35,384; fifth-year officer earns \$39,825 per hour
- **Rutherford County:** First-year firefighter pay depending on experience ranges from \$35,704 to \$38,316, depending on experience; fifth-year firefighter earns \$38,316

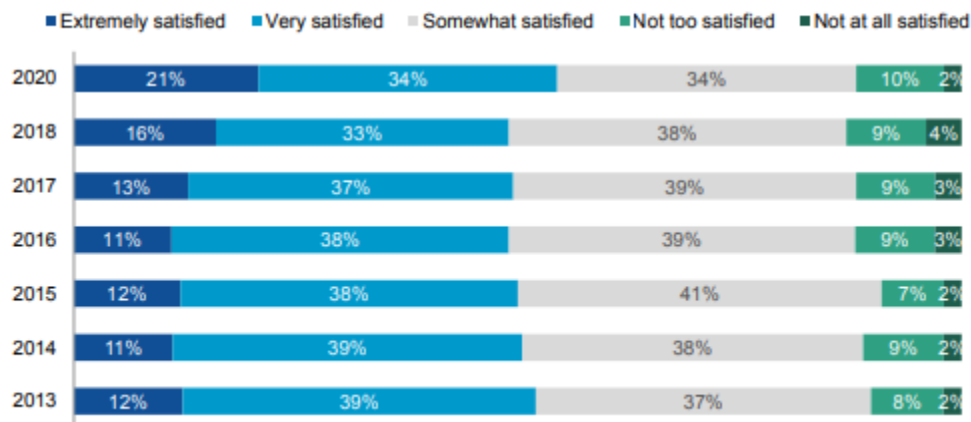
Scott Broden, Murfreesboro Daily News *Journal*, November 15, 2020.

6. WORKER SATISFACTION WITH HEALTH BENEFITS HAS INCREASED DURING COVID-19 PANDEMIC:

Worker satisfaction with various aspects of health benefits rose markedly in 2020: The percentage of workers reporting that they were extremely or very satisfied with health benefits increased from 49 percent in 2018 to 55 percent in 2020 (Figure 1).

Figure 1
Nearly all employees continue to be at least somewhat satisfied with their current health plan. More than half are very or extremely satisfied, up from 2018.

Overall, how satisfied are you with your current health insurance plan? (Has health insurance coverage: 2020 n=724)



In the recently released [Workplace Wellness Survey](#), the Employee Benefit Research Institute (EBRI) and Greenwald Research examined a broad spectrum of worker attitudes toward financial wellbeing, employmentbased health insurance, and retirement benefit issues. The survey found that satisfaction with quality of medical care received soared in every category.

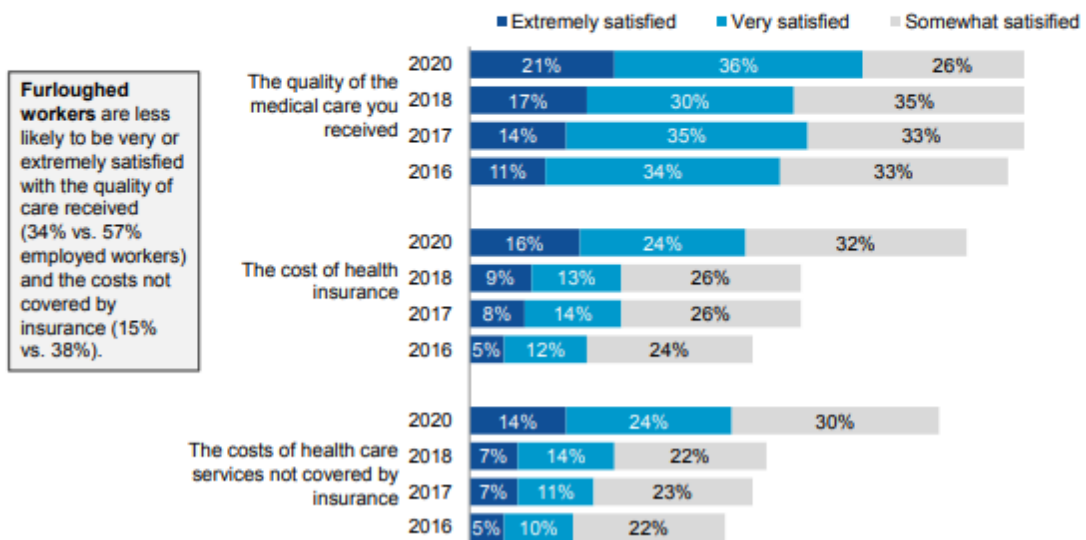
- The percentage of workers reporting that they were extremely or very satisfied with quality of medical care received increased from 47 percent to 57 percent between 2018 and 2020 (Figure 2).
- Those extremely satisfied with the cost of health insurance increased from 9 percent in 2018 to 16 percent in 2020; those very satisfied jumped from 13 percent to 24 percent in 2020.
- Workers reporting that they were extremely satisfied with the costs of health care

services not covered by insurance doubled from 7 percent to 14 percent between 2018 and 2020; the percentage reporting that they were very satisfied increased from 14 percent to 24 percent over that same time period.

- Even the percentage reporting that they were somewhat satisfied with the costs of health care services not covered by insurance increased from 22 percent to 30 percent.

Figure 2
Employees continue to be more satisfied with the quality of their medical care than the costs, yet satisfaction is up.

Please rate your satisfaction with some specific aspects of the health care you have received over the past two years. (Employer offers at least one benefit;* 2020 n=780)



Furloughed workers are less likely to be very or extremely satisfied with the quality of care received (34% vs. 57% employed workers) and the costs not covered by insurance (15% vs. 38%).

These findings may be due to the timing of the survey. In July 2020, when the survey was fielded, many employers were covering telemedicine with no cost sharing, even for workers who had not yet met their health plan’s deductible. Furthermore, use of health care services dropped considerably in 2020 because of the pandemic.

Also, it should be noted that furloughed workers reported being much less satisfied with the quality of care received (34 percent were extremely or very satisfied, vs. 57 percent of employed workers). They were also less likely to be extremely or very satisfied with health care costs not covered by insurance (15 percent vs. 38 percent).

The EBRI report, “2020 Workplace Wellness Survey,” was published as the September 2020 EBRI Chartbook and is available online [here](#).

The 2020 Workplace Wellness Survey is made possible with funding support from the following organizations: Cigna, MassMutual, Mercer, Prudential Financial Inc., Segal, Unum, and Voya Financial.

The Employee Benefit Research Institute is a private, nonpartisan, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public, private, for-profit and nonprofit organizations. For more information go to www.ebri.org or connect on Twitter or LinkedIn.

Greenwald Research is a leading independent custom research firm and consulting partner to the health and wealth industries that applies creative quantitative and qualitative methods to help companies stay competitive and navigate industry change. Leveraging deep subject matter expertise and a consultative approach, Greenwald offers comprehensive services to answer strategic business questions. For more information, go to www.greenwaldresearch.com. EBRI Fast Facts #369, www.ebri.org, November 12, 2020.

7. WHOSE PENSION IS IT ANYWAY?

Watch the Panel Dialogue by clicking the image below.

PANEL DIALOGUE | “Whose Pension Is It
Anyway?”
How to make member communications
work harder

HOOPP, Cal Savers, IFM Investors | World Pension Summit 2020. *Pension & Investments*, www.pionline.com, November 18, 2020.

8. MIAMI-DADE FIREFIGHTER ANSWERED CALL TO HIS OWN HOME. HIS WIFE DID NOT MAKE IT OUT ALIVE:

As smoke and fire consumed Corey Logan's Homestead home Tuesday, November 10, 2020, the Miami-Dade firefighter raced to the scene, his engine one of the first to respond.

What he found inside the home was devastating. According to multiple sources, Logan's wife - a woman with multiple medical issues who for years he had cared for -- was dead in her bedroom, unable to escape the smoke and flames that filled the home. "He was one of the first in. He was on the engine company that responded," said a county emergency worker with knowledge of the incident.

Miami-Dade Fire Rescue released an official statement late Wednesday morning saying Logan's wife had "tragically" passed, but not naming her.

"At this time, out of respect for the family, we kindly ask for privacy as they are dealing with this tragic loss," wrote MDRF spokeswoman Erika Benitez. "We thank you for your patience and cooperation as we are focusing on supporting our firefighter and their family."

Getting detailed information on Wednesday, Veterans Day, was difficult. But a [GoFundMe page](#) created by a fellow firefighter said Logan is a 20-year veteran who was working an overtime shift Tuesday when the call came in.

"Shortly after lunch Corey received a Ring notification on his phone which showed a neighbor frantically banging on his front door which led him to believe something was wrong at his house," co-worker Christopher Morales wrote on GoFundMe. "Corey has been his wife's caretaker for many years as she had many medical conditions."

Morales said as his company raced to the fire after getting a call, the actual address of the home at Northwest 12th Avenue and 18th Street didn't appear until a few minutes after they had left the station.

"Unfortunately when we arrived we had the worst case scenario. There was heavy smoke and fire coming from his house with his wife inside," Morales wrote. Charles Rabin, Miami *Herald*, www.miamiherald.com, November 11, 2020.

9. NEW ORLEANS POLICE DEPT. ADMITS TO FACIAL RECOGNITION USE:

The New Orleans Police Department has confirmed that it is using facial recognition software to investigate crime, despite years of assurances that city government wasn't employing the technology.

The agency doesn't own facial recognition software, spokesman Kenneth Jones said, but was granted access to the technology through "state and federal partners." He would not provide a list of those partners, saying, "We would prefer not to at this time." He indicated, however, that the FBI was on that list.

"As for particulars on facial recognition hardware and software, please contact the Federal Bureau of Investigations," Jones said. An FBI spokesperson would not comment on "specific products or services the FBI may or may not purchase or use."

Jones also indicated that the Louisiana State Police are on that list of partners. A State Police spokesman, Lt. Nick Manale, said that while the Louisiana State Analytical & Fusion Exchange does work with New Orleans police, he could not "provide specific information on our investigative tools and procedures."

New Orleans police use facial recognition only for "violent cases," Jones said, but added that "documentation of frequency of use of facial recognition is not currently available." Asked whether there was any written policy or procedure regarding the technology, Jones said Police Superintendent Shaun Ferguson "is currently working with Councilman [Jason] Williams on a policy as to when facial recognition tools should be used."

Jones would not say how long the Police Department has been using facial recognition.

For years, and under two separate mayoral administrations, city officials responded to questions about facial recognition by saying the local government didn't own any of the software, or by talking specifically about the Real Time Crime Center. The Real Time Crime Center is the city's video surveillance hub and has a policy against the use of facial recognition.

But the center is part of the Department of Homeland Security and Emergency Preparedness, and its policies don't apply to the Police Department. In July, the City Council held a hearing on a potential surveillance ordinance that, among other things, would ban the use of facial

recognition.

"Of course the city doesn't deploy any facial recognition technology in a law enforcement purpose," Real Time Crime Center administrator Ross Bourgeois told the council. "The city doesn't have any of that technology available for our use." Later in that meeting, Councilwoman Helena Moreno asked Jonathan Wisbey, chief technology officer in Mayor LaToya Cantrell's administration, about the difference between facial recognition and characteristic tracking software.

"Jonathan, we don't have either of these in the city, right?" "We do not currently employ any technology that does that in 2020," Wisbey said. "There certainly appears to be consensus around not utilizing the face surveillance systems or characteristic tracking software, that that's not something we're interested in," Moreno said.

In November, the ACLU of Louisiana asked City Hall for documents and communications "regarding the use of facial recognition." The government responded this week by saying, "The Police Department does not employ facial recognition software." No documents were handed over, and the public records request was closed.

ACLU attorney Bruce Hamilton said that whether the city's statements were technically true, the end result is that public officials, residents and watchdog groups were under the false impression that the municipal government was not working with facial recognition software.

"This is a distinction without a difference. The result is the same, that the city's law enforcement agency is using facial recognition even if it is using other agencies to do it," Hamilton said. "This is a disturbing admission by NOPD, indicating that the department and other city officials have repeatedly misled the public and surreptitiously deployed facial recognition software without public approval or oversight."

The Police Department did not directly respond to questions about whether it would review its response to the ACLU's public records request.

"The term employ used in the [public records request] response might've referred to ownership of the tool itself, which we don't," Jones said. "I apologize for any misunderstanding. ... Again, the word 'employ' was used in the context of ownership. The consensus between the PRR and NOPD response is that the NOPD does not own facial recognition tools."

In a Thursday letter, the New Orleans Office of Independent Police Monitor told the Police Department it wanted to audit the department's use of facial recognition. It asked the department hand over a wide array of documents and records related to facial recognition.

Theo Thompson , a member of the local watchdog group Eye on Surveillance, said he hoped news that the Police Department was using facial recognition convinced hesitant City Council members of the need for comprehensive surveillance regulation.

"There have been many discussions around whether or not the city has been using facial recognition, and the answer we were given was always no," Thompson said. "There is a continued lack and flat out neglect of transparency." 'This technology is flawed'.

The use of facial recognition came to light in part because of the council's recent work with Eye on Surveillance on a proposed ordinance to limit how the administration may use surveillance technology. The proposed ordinance is sponsored by Councilman Jason Williams , who is heading to a Dec. 5 runoff election for Orleans Parish district attorney against former Judge Keva Landrum .

Williams has run as a criminal justice reformer, and the surveillance ordinance is one of several criminal justice reforms he's introduced this year, with limited success.

The councilman's chief of staff, Keith Lampkin , said he learned the Police Department was using facial recognition during a call with Ferguson, the police chief. Lampkin said he wanted to ensure the proposed ordinance wouldn't inadvertently and unnecessarily cause issues for the police. He wasn't expecting facial recognition to be a problem.

"We were working under the understanding and under the representation that we were not using facial recognition as a city, and therefore there would be no issue with an outright ban on facial recognition technology in our surveillance ordinance," Lampkin said. "That call was the first call when we heard directly from the superintendent, directly from the NOPD, that they were in fact using facial recognition technology."

That call occurred just hours before Hurricane Zeta made landfall on Louisiana's coast and knocked out power to much of New Orleans. Storm recovery quickly took priority, Lampkin said, but he added, "There's definitely a cleanup conversation to be had."

"That kind of 11th hour revelation, for lack of a better word, when we've been told the opposite, obviously impacted our process," Lampkin said. "But it's new information that we're going to engage with them over the next couple weeks to find out what the hell is going on and how far reaching it is."

The City Council was expected to vote on the surveillance measure last week, but it was deferred. City Councilman Jay Banks was also surprised to hear about the Police Department's admission.

"I still have not been told we're using facial recognition, and I still have reservations about it," he said. "If it turns out that we are using it, I'm disappointed, No. 1, that we're using it, and No. 2, that we were told that we weren't."

At the June surveillance hearing, Banks said: "I am vehemently opposed to facial recognition technology for arresting folks because in too many instances it proves not to work." Banks raised the case of Robert Julian-Borchak Williams, a Detroit man who was wrongly accused of theft and charged with retail fraud after facial recognition software incorrectly identified him from a crime scene surveillance photo. He was arrested in January on his front lawn in front of his wife and two children and was kept in custody for 30 hours.

The prosecutor ended up dismissing the charge and apologized. The prosecutor's office said the case should never have gone so far, citing the "unreliability" of facial recognition software, "especially as it relates to people of color."

Facial recognition has been criticized over privacy concerns and because there is evidence showing it often misidentifies Black people and people of color at a higher rate than White people. In 2019, the National Institute of Standards and Technology, a federal government agency, released a study concluding that most commercial facial recognition software was racially biased, misidentifying Black and Asian people at 10 to 100 times the rate of misidentification for White people. The study tested 189 pieces of software from 99 different developers. It found that misidentification problems were worst for Native Americans.

Ferguson on Friday said he understood concerns over bias in facial recognition technology. But he said he thinks it can be a valuable tool if used responsibly. At the June council meeting, Banks said that even though Williams' case in Detroit was dismissed, there's no way of knowing the reverberating effects of being arrested in front of his family or spending more than a day in jail.

"The trauma of seeing her father arrested may never leave that child, and we have no way to know how it will continue to manifest itself in her," Banks said. "This month Amazon, Microsoft and IBM all announced or paused using their facial recognition offerings for law enforcement. There's a reason for that. They acknowledge this technology is flawed."

In June, Wisbey, the administration's chief technology officer, told the City Council that instead of blanket bans on certain technologies, he recommended creating clear regulations with actionable consequences.

"I think that there is this potential for abuse when you use any type of technology really, not just these surveillance technologies," Wisbey said. "The way we have tried to mitigate those risks ... is to really look at the policies governing that. And to say rather than, 'This technology is bad or evil or not something we should ever use,' say 'You know what, this technology is potentially problematic so we need to be very prescriptive of how we use it. And we need to ensure there are real life consequences if someone violates those regulations.' "

But the Police Department confirmed it has no policy or written procedures for its use of facial recognition. Jones, the department spokesman, said Ferguson was working on creating that policy.

It's also unclear what kind of tracking and auditing the Police Department requires for its facial recognition use. Jones said that documentation "is not currently available." Said Hamilton, the ACLU lawyer: "The fact that 'documentation of the frequency of use' of this technology by NOPD is 'currently unavailable' only underscores the fact that no city official -- including NOPD officers -- should be using any surveillance technology without oversight and transparency. The residents of this city deserve to know when surveillance is being used, by whom and for what purpose."

Jones said police don't use facial recognition to determine probable cause for an arrest. "It's important to note that the use [of] facial recognition software is for investigative purposes only, not to determine probable cause for a crime." Hamilton wasn't comforted by that statement, saying it was "frankly absurd."

In the case of Williams' false arrest, the Detroit Police Department gave a similar defense, saying that it does "not make arrests based solely on facial recognition," according to *The New York Times*. The document that initially identified Williams to the police said in bold

letters, "It is an investigative lead only and is not probable cause for arrest," *The Times* reported. Michael Isaac Stein, *The Times-Picayune*, November 17, 2020.

10. BUILDING BETTER RETIREMENT SYSTEMS IN THE WAKE OF THE GLOBAL PANDEMIC:

In the wake of the global pandemic known as COVID-19, retirees, along with those hoping to retire someday, have been shocked into a new awareness of the need for better risk management tools to handle longevity and aging. This paper offers an assessment of the status quo prior to the spread of the coronavirus, evaluates how retirement systems are faring in the wake of the shock. Next we examine insurance and financial market products that may render retirement systems more resilient for the world's aging population. Finally, potential roles for policymakers are evaluated. Click [here](#) to read or download a PDF of the paper. Olivia S. Mitchell, The Center for Financial Studies, [CFS Working Paper, No. 644, 2020](#), November 17, 2020.

11. DEFINED BENEFIT PLAN SPONSORS SHOULD REASSESS THEIR INVESTMENTS:

In light of the coronavirus pandemic and the subsequent lockdowns and pivot to working from home, Willis Towers Watson has issued a report, "[Top 10 Investment Actions for DB Plans in 2021](#)," intended to help guide the decisions of defined benefit (DB) plan sponsors.

The first thing Willis Towers Watson suggests that DB sponsors do is enhance the governance structure and the framework of their plans. Sponsors should pay particular attention to re-risking, rebalancing and raising liquidity, because those plan sponsors that rebalanced their portfolios following the market sell-offs in March were able to capitalize on the rebound that happened shortly thereafter. Willis Towers Watson also suggests that sponsors might want to consider moving to an [outsourced chief investment officer \(OCIO\) model](#).

Second, the consultancy says sponsors should leverage manager skill and specialization. Specifically, Willis Towers Watson says that while many sponsors might have passive equity and bond investments, they "may lead to more risk and return concentration than intended, [and] for bond investments, passive management may not adequately compensate for downgrades and defaults." Now may be a good time for sponsors to reconsider active managers, the report suggests.

Third, Willis Towers Watson recommends integrating diversity and inclusion (D&I). While this has been a hot-button issue for how organizations are run and there have been calls to

increase diversity in personnel, it can also be applied to pension assets in terms of being well diversified. This includes measuring diversity and examining requirements for new managers, the report says.

Fourth: Reassess risk tolerance. COVID-19 has brought changes to companies' business risks. This inevitably affects their benefit plans, Willis Towers Watson says. Now is the time to do a thorough asset-liability study.

Willis Towers Watson's fifth suggestion is to harness illiquidity, namely private equity, real assets and private debt.

Point number six: Flex your assets in line with broader plan management. By this, Willis Towers Watson means that assets should efficiently reflect a pension plan's funding situation, progress and planned and unplanned lump-sum distributions. Make sure that asset and liability teams are working in tandem.

Achieving the best bang for your buck is recommendation number seven. Think beyond return seeking and liability hedging assets. "For example, long Treasuries hedge a significant percentage of the volatility of liabilities while also benefiting from a flight to safety during a crisis," Willis Towers Watson says. "This can free up additional capital to target more return-seeking assets."

Willis Towers Watson's eighth suggestion is to exploit unpredictability. "Market disruption seems to be part of the new world," the consultancy says. "Monetary and fiscal policy stimuli are interrupting traditional business cycles." Sponsors should turn to less cyclical investments and consider how cities will be impacted if virtual work and suburban flight are permanent.

Nine: Include sustainability investing in the portfolio. The report says sponsors should consider how to include environmental, social and governance (ESG) investing in the portfolio.

Finally, reassess fees. The lowest fees are not necessarily the best. It might be smarter to pay a little more in investment fees for talented, active or specialist portfolio managers, Willis Towers Watson says. Lee Barney, *PLANSPONSOR*, www.plansponsor.com, November 11, 2020.

12. AM I SAVING TOO MUCH FOR RETIREMENT?

Yes, there is such a thing as saving too much money, financial advisers said. That doesn't

necessarily mean you personally have saved too much, though. Having an “overfunded” retirement isn’t a bad problem to have, but it does raise the question: what are your goals for your finances, the present and your future, and are you meeting them?

A big pile of money is great, but it’s even better when you get to use it the way you want. There is no one right answer here, as the situation differs from person to person. There is a balance between saving for the future and living for today, and sometimes, people do overcompensate in one area.

“It is important for each person to think about this and determine where their balancing point is,” said Mark Beaver, partner and senior financial adviser at Keeler & Nadler. There are scenarios where people do so much planning and saving for the future, and then they’re robbed of that future for unforeseen and devastating reasons. Or they live it up in the moment and spend more than they save in the present, only to end up with little to no money to rely on in their old age, he said.

Some people “postpone” their lives in the name of aggressively saving, but that could only happen if you’re living so frugally today that you’re not enjoying your life now. Some people save aggressively because they’re afraid of running out of money later in life, said Christopher Woods, a financial adviser and founder of LifePoint Financial Group. “There are also others who are happy with their lifestyle and don’t see how spending more will make them any happier,” he said. “And that’s perfectly fine.”

The balancing point, Beaver said, lies in how you feel about the present while you save for the future. “If it’s keeping you from living the life you want right now because you’re only looking at tomorrow, that is probably too much,” he said. You should aim for financial security, but also put your money toward your values, which may include experiences, said Ashley Gragtmans, a behavioral financial adviser at Parsec Financial. “In general, I think it’s hard to ‘save too much,’ but if you lack joy along the way, something needs to be re-evaluated,” she said. You noted you have not had that problem.

However, you could be setting yourself up for hefty tax bills in the future. How much is owed will depend on many factors, including how much you withdraw in a given year and how you diversify the accounts you withdraw from.

For example, you can use traditional retirement plans, which are funded with pretax dollars, as well as Roth accounts, which contain after-tax dollars. When it comes time to withdraw from

those assets, the money from the traditional account will be taxed at ordinary income rates, while the latter will be a tax-free distribution. There are pros and cons to using these accounts though, so you have to see what is best for your situation. There are various alternatives and supplemental accounts as well to save money, such as taxable investment portfolios and life insurance. A financial adviser could help you avoid excessive tax burdens and strategize so that you're getting the most out of your money.

Although you may seem to have your nest egg in order, there are questions you can ask yourselves so that your retirement plan is well-rounded, said Nadine Burns, president and chief executive officer of A New Path Financial. Questions to consider include: do you have additional income to supplement your retirement, like a pension? When do you plan to claim Social Security and how does that fit into your expected retirement age? (If you retire before you claim, you'll have to draw down some of those assets before you start receiving benefits.) Are there any health issues in the family, such as dementia, that may warrant long-term care planning? And what do you want to do with your retirement, so that the money you've been saving is used well?

Aside from planning accordingly for the rest of your years, if you intend to leave money to loved ones or charities, you should have a clear estate plan written up so that your wishes are met, Cundick said. Some advisers have seen their super-saver clients become "super-givers," like Leon LaBrecque, chief growth officer at Sequoia Financial Group. "I love saving," he said. "However, money is nothing but a piece of paper with a picture of a dead president on it until you get rid of it. You can save it for you or save it for others." Charitable giving can also lessen the burden of tax obligations.

Having an estate plan ensures your hard-earned savings are being used the way you intended them to be used. However, you should consult with a financial professional, especially as rules can change. For example, the Secure Act passed in December eliminated the stretch IRA provision for inherited accounts, which could force loved ones to pay much more in taxes than you'd like.

But back to the present: Make sure to continue enjoying life now while you save and prepare for retirement, said Michael Simmons, director of financial planning at Transitions Wealth Management. "At some point, you may have the financial resources but lack the health or even the desire for things such as travel," he said. "For most of us, investing versus spending is a competing priority that we work to manage. Living life in the now because life is uncertain but saving/investing enough so we don't compromise our future selves," he said. Alessandra

Malito, MarketWatch, www.marketwatch.com, November 7, 2020.

13. PENSION BENEFICIARIES SHOULD CELEBRATE THE DOL'S NEW INVESTMENT RULE TO RESTORE FIDUCIARY RESPONSIBILITY:

Pension funds, whether public or private, are under assault. Politicians, and investment managers kowtowing to politicians, want to inject all kinds of personal political decisions on the management of our retirement money. Twenty-five years ago, the flavor of the day was tobacco. Today it is big oil, private prison contractors, or gun manufacturers, companies such as Berkshire Hathaway [BRK.B -0.3%](#) that do not meet "minimum" environmental, social, and governance (ESG) requirements and a myriad of other political criteria.

Keeping politics out of the management of other people's pension plans is an essential part of our duty of loyalty and our fiduciary obligations. That is why the recent announcement by the Department of Labor of a [final rule](#) laying out stringent guidelines for fiduciaries of retirement plans under the Employee Retirement Income Security Act (ERISA) is a welcome and much-needed step in the right direction.

Under the new guidelines, a clear regulatory structure is established which sets out standards for the consideration of investments in ERISA-backed pension plans. Plan fiduciaries are now required to make investment choices based solely on pecuniary factors consistent with the plan's objectives. The overall goal is to create higher returns for plan beneficiaries, with investments driven by the market. Given the egregious levels of unfunded liabilities facing many pensions throughout the country, it is heartening to see such action take place.

Adherence to fiduciary duty is a cornerstone of pension fund management. To inject political-based decision making into how these retirement funds are invested is a clear violation of the fiduciary obligation that these retirees deserve from fund managers. Unfortunately, in recent years we have seen a divergence from this principle with the injection of social and political factors in investment decisions in the form of ESG factors and the so-called "Principles of Responsible Investment," as well as numerous pushes for divestment from certain industries.

Although the final version of the Department's rule makes no direct mention of ESG investment funds, it is clear that even without the use of the specific term, politically focused investing was at the forefront of their minds. In fact, as described in a [recent issue brief](#) by the Institute for Pension Fund Integrity, the term ESG itself remains ambiguous, even as it has grown in popularity. Based on the rule's final language, it would seem that Department's leadership agrees. If investors cannot even decide on a uniform definition of ESG criteria, how

can they be expected to detail its pecuniary benefits to a fund? Under the new guidelines, much more stringent documentation and justification will be needed to include ESG strategies in pension fund investment.

I wholeheartedly embrace ESG as a reasonable tool of management by responsible companies, and of course individuals are free to invest their personal portfolios in companies that elevate whatever values they like. However, fiduciaries have a different obligation. They cannot allow nonpecuniary preferences of any kind to influence investment decisions. In these cases, investments should only be made when they are likely to add value to a fund. When such investments will not improve the financial performance of the fund, or the decision to invest in them is based on political motives, they should be forgone.

This principle of fiduciary duty lies at the heart of ERISA, and since its initial passage in 1979 the Department of Labor has taken steps to update and clarify the law as needed. This latest regulatory effort is therefore a welcome and, in my opinion, long overdue update.

As Secretary of Labor Scalia noted in his recent op-ed in the [Tampa Bay Times](#), "ERISA doesn't task retirement plan managers with solving the world's problems...Nor does it ask managers to take on politicians' job of determining which societal trade-offs are acceptable."

I couldn't agree more. There is a place for making these types of determinations, but it resides solely with elected officials - not plan fiduciaries. The Department of Labor should be commended for the finalizing and implementing this new rule, and it is my hope that in the future our government officials will continue to uphold fiduciary duty as a cornerstone of pension fund management.

This sentiment was also reflected in an [opinion column](#) by the Wall Street Journal editorial board, where they note that "The reason asset managers largely oppose the new Labor rule is because they want to use worker retirements to promote their own political and financial interests. They want to charge higher fees for managing ESG funds even if they don't produce better financial returns for beneficiaries. The DOL rule forbids them from doing that. Kudos to Labor Secretary Gene Scalia for standing up to these Wall Street complaints."

In the coming months, it is likely that the incoming Biden administration will look for opportunities to use their executive authority to counteract many of the rules and regulations put in place by President Trump's cabinet. In this instance, the Department of Labor's work should be embraced as a nonpartisan, forward-thinking effort to secure a stable future for

America's workers and retirees. It is my hope that this rule will be not only enshrined but built upon. Christopher Burnham, *Forbes*, www.forbes.com, November 16, 2020.

14. FTC WARNS COMPANIES TO STOP PEDDLING FAKE COVID TREATMENTS AND CURES:

Here at the FTC, we've seen people pitching COVID treatments like gemstone bead bracelets, water filtration systems, indoor tanning with red light UV therapy, copper water bottles, high dose vitamin C IV drips, juices and supplements, stem cell treatments, ozone therapy, laser light treatments, and more. All of these products and treatments have one thing in common: there is no evidence -- as required by law -- that they work against the Coronavirus.

As part of our ongoing efforts to protect consumers from sellers of scam COVID-19 treatments, the FTC has sent 20 more warning letters to companies that claim their products can prevent, treat, or cure COVID-19.

Like the hundreds of other warning letters the FTC has sent to other companies, these letters require the sellers to notify the FTC within 48 hours of the specific actions they have taken to address the agency's concerns. The FTC will follow up with companies that fail to make adequate corrections. The good news: in nearly all cases so far, those who get the letters have stopped making the false claims or selling the scam product or treatment. When it comes to the fight against the Coronavirus, knowing the facts will help. If there's a medical breakthrough, you're not going to hear about it for the first time through an ad or sales pitch.

Here are tips to follow and share with others:

- Always talk with your doctor or another healthcare professional before you try any product claiming to treat, cure, or prevent COVID-19.
- Head to CDC.gov for clear and concise information on COVID-19. In addition, visit the [FDA's resources](#) page to find out about treatments in development.
- Learn more about scams related to COVID-19 by visiting ftc.gov/coronavirus and subscribing to [Consumer Alerts](#) from the FTC.
- If you find a product that claims to prevent, treat, or cure COVID-19, report it to the FTC at ReportFraud.ftc.gov.

Colleen Tressler, FTC, www.ftc.gov, November 12, 2020.

15. GET READY FOR TAXES - GET READY NOW TO FILE 2020 FEDERAL INCOME TAX RETURNS:

The Internal Revenue Service today encouraged taxpayers to take necessary actions this fall to help them file their federal tax returns timely and accurately in 2021, including special steps related to Economic Impact Payments.

This is the first in a series of reminders to help taxpayers get ready for the upcoming tax filing season. A [special page](#), updated and available on IRS.gov, outlines steps taxpayers can take now to prepare for the 2021 tax return filing season ahead.

Steps taxpayers can take now to make tax filing easier in 2021

Taxpayers should gather [Forms W-2](#), Wage and Tax Statement, [Forms 1099-Misc](#), Miscellaneous Income, and other income documents to help determine if they're eligible for deductions or credits. They'll also need their [Notice 1444](#), Your Economic Impact Payment, to calculate any Recovery Rebate Credit they may be eligible for on their 2020 Federal income tax return.

Most income is taxable, including [unemployment compensation](#), refund interest and income from the [gig economy](#) and [virtual currencies](#).

Taxpayers with an [Individual Tax Identification Number](#) should ensure it hasn't expired before they file their 2020 federal tax return. If it has, IRS recommends they submit a [Form W-7](#), Application for IRS Individual Taxpayer Identification Number, now to renew their ITIN. Taxpayers who fail to renew an ITIN before filing a tax return next year could face a delayed refund and may be ineligible for certain tax credits.

Taxpayers can use the [Tax Withholding Estimator](#) on IRS.gov to help determine the right amount of tax to have withheld from their paychecks. If they need to adjust their withholding for the rest of the year time is running out, they should submit a new [Form W-4](#), Employee's Withholding Certificate, to their employer as soon as possible.

Taxpayers who received non-wage income like self-employment income, investment income, taxable Social Security benefits and in some instances, pension and annuity income, may have to make [estimated tax payments](#). Payment options can be found at [IRS.gov/payments](#).

New in 2021: Those who didn't receive an EIP may be able to claim the Recovery

Rebate Credit

Taxpayers may be able to claim the Recovery Rebate Credit if they met the eligibility criteria in 2020 and:

- They didn't receive an Economic Impact Payment this year, or
- Their Economic Impact Payment was less than \$1,200 (\$2,400 if married filing jointly for 2019 or 2018) plus \$500 for each qualifying child.
- For additional information about the Economic Impact Payment, taxpayers can visit the Economic Impact Payment Information Center.

Received interest on a federal tax refund? Remember these are taxable; include when filing

Taxpayers who received a federal tax refund in 2020 may have been paid interest. The IRS sent interest payments to individual taxpayers who timely filed their 2019 federal income tax returns and received refunds. Most interest payments were received separately from tax refunds. Interest payments are taxable and must be reported on 2020 federal income tax returns. In January 2021, the IRS will send a Form 1099-INT, Interest Income, to anyone who received interest totaling at least \$10.

Although the IRS issues most refunds in less than 21 days, the IRS cautions taxpayers not to rely on receiving a 2020 federal tax refund by a certain date, especially when making major purchases or paying bills. Some returns may require additional review and may take longer.

EITC/ACTC-related refunds should be available by first week of March

By law, the IRS cannot issue refunds for people claiming the Earned Income Tax Credit or Additional Child Tax Credit before mid-February. The law requires the IRS to hold the entire refund – even the portion not associated with EITC or ACTC. The IRS expects most EITC/ACTC related refunds to be available in taxpayer bank accounts or on debit cards by the first week of March, if they chose direct deposit and there are no other issues with their tax return. Taxpayers should “Where’s My Refund?” for their personalized refund date.

With social distancing continuing, taxpayers can stay home and stay safe with IRS online tools

Taxpayers can find online tools and resources to help get the information they need. These IRS.gov tools are easy-to-use and available 24 hours a day. Millions of people use them to find information about their accounts, get answers to tax questions or file and pay their taxes.

Almost everyone can file electronically for free. The [IRS Free File program](#), available only through IRS.gov or the IRS2Go app, offers brand-name tax preparation software packages at no cost. The software does all the work of finding deductions, credits and exemptions for you. It's free for those who earned \$72,000 or less in 2020. Some of the Free File packages also offer free state tax return preparation.

If you're comfortable filling out your own tax forms electronically, you can use [Free File Fillable Forms](#), regardless of your income, to file your tax returns either by mail or online.

Taxpayers have several options to find a tax preparer. One resource is [Choosing a Tax Professional](#), which offers a wealth of information for selecting a tax professional.

The [Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#) can help taxpayers find preparers in their area who currently hold professional credentials recognized by the IRS, or who hold an Annual Filing Season Program Record of Completion.

Taxpayers can use the [Interactive Tax Assistant](#) beginning in January 2021 to get answers to a number of tax law questions. The ITA can help determine if a type of income is taxable, if someone is eligible to claim certain credits, or if they can deduct expenses on their tax return.

Taxpayers can check the status of their refund using "[Where's My Refund?](#)". The status is available within 24 hours after the IRS receives their e-filed tax return or up to four weeks if they after they mailed a paper return. The "Where's My Refund?" tool updates once every 24 hours, usually overnight, so taxpayers only need to check once a day.

The best and fastest way for taxpayers to get their tax refund is to have it [direct deposited](#) into their financial account. Taxpayers who don't have a financial account can visit the [FDIC website](#) for information to help open an account online.

Taxpayers are invited to join the Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs. VITA/TCE volunteers receive training to provide free tax return preparation for eligible taxpayers. There's never been a better time to get ready to help others file and the IRS is rolling out new ways to make volunteering easier. Visit [IRS.gov/volunteers](#) to learn more. IRS Newswire IR-2020-256, [www.irs.gov](#), November 17, 2020.

16. NOVEMBER 21 DEADLINE NEARS TO REGISTER ONLINE FOR ECONOMIC

IMPACT PAYMENT; SOME PEOPLE CAN CLAIM SPECIAL CREDIT NEXT TAX FILING SEASON:

The Internal Revenue Service today reminded anyone who doesn't normally file a tax return that they have until 3 p.m. EST this Saturday, Nov. 21, to register with the IRS for an [Economic Impact Payment](#).

The only way remaining to get a payment in 2020 is to register using the [Non-Filers: Enter Info Here](#) tool on IRS.gov before the Saturday deadline.

The only people who should register are those who don't typically file a tax return, are not required to do so and have not yet registered, or for certain benefit recipients who got an EIP for themselves but need to provide information about a non-beneficiary spouse or qualifying child. Anyone else who normally files a tax return, including low- and moderate-income workers and families claiming the Earned Income Tax Credit, Child Tax Credit or other tax benefits, cannot use the tool.

In partnership with the U.S. Treasury Department, the Bureau of the Fiscal Service, Social Security Administration and the Department of Veteran's Affairs and software industry partners, the IRS has issued about 160 million Economic Impact Payments totaling approximately \$270 billion. Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the IRS will continue issuing these payments during the final weeks of 2020, and some people may be eligible to claim them when they file their 2020 tax returns in 2021.

Anyone can check the status of their payment by using the [Get My Payment application](#), available only on IRS.gov. The Get My Payment application will show "Payment Status Not Available" until the payment is scheduled to be issued. This response does not mean a person is not eligible or will not receive a payment.

Economic Impact Payments aren't taxable

Economic Impact Payments received in 2020 are not taxable for federal income tax purposes. Taxpayers can claim the recovery rebate credit on their tax year 2020 tax return in 2021 if they didn't receive a payment or if their payment wasn't the correct amount.

Didn't receive a payment? Claim the Recovery Rebate Credit when filing a tax return next year

When people file their 2020 taxes next year and they weren't eligible for an Economic Impact Payment this year, they may be eligible for the Recovery Rebate Credit. The Recovery

Rebate Credit is figured like the Economic Impact Payment, except the amounts are based on tax year 2020, instead of tax year 2019 or tax year 2018, information. The eligibility criteria are the same, and the maximum credit is \$1,200, or \$2,400 if married filing jointly, plus \$500 for each qualifying child. This means anyone who received the full Economic Impact Payment amount during 2020 for both themselves and their qualifying children cannot get the credit.

The credit can be claimed on either Form 1040 or Form 1040-SR. The 2020 instructions for these forms will include a Recovery Rebate Credit worksheet to help determine eligibility and figure the credit. Visit the IRS Economic Impact Payment Information Center for answers to questions about eligibility, payment amounts, payment timing and more. IRS Newswire IR-2020-257, www.irs.gov, November 17, 2020.

17. FOR THOSE WHO LOVE WORDS:

What Is The Difference Between “Torturous” vs. “Tortuous”? Learn the answer [here](#).

18. A THOUGHT FOR TODAY:

“When you talk, you are only repeating what you already know. But if you listen, you may learn something new.” -Dalai Lama

19. TODAY IN HISTORY:

On this day in 1863, US President Abraham Lincoln delivers his Gettysburg address beginning; "Four score and seven years ago..."

20. REMEMBER, YOU CAN NEVER OUTLIVE YOUR DEFINED RETIREMENT BENEFIT.