

How a Biden Administration Might Impact HR and the Workplace

While we don't have a Magic 8 ball, with a new Executive Administration, all signs point to changes to how you approach your human resources. Our seasoned prognosticators have some insight for you.

Each presidential transition brings changes to the HR landscape. And the more prepared an HR team is, the easier it will be for them to succeed amid these changes. To that end, this article discusses potential changes employers can expect during a Biden presidency.

To read more, click the image at right to view the article (PDF) in a new window.

Do You Use 123456 as Your Password?

QUESTION: What were the top passwords leaked during 2020 data breaches?

We recently came across a new report looking at 275,699,516 passwords leaked during 2020 data breaches – it found that the most common passwords are incredibly easy to guess – and it could take less than a second or two for attackers to break into

accounts using these credentials. Only 44% of those recorded were considered “unique.”

If your cyber defenses have failed – or you have been breached by a hacker – cyber insurance can help you recover. Ask a member of the Allen Insurance and Financial business insurance team for more information about cyber coverage. Anyone who does business on the Internet really shouldn't be without it.

ANSWER: The most popular passwords from those 2020 data breaches included “123456,” “123456789,” “password,” and “12345678.” [Read more about the report.](#)

Paid Leave During Quarantine – Answers for Maine Businesses



With the increasing number of COVID-19 cases in Maine, businesses across the state are seeing employees being quarantined due to diagnosis or close exposure.

It is important to remember that under the [The Families First Coronavirus Response Act](#), all businesses with fewer than 500 employees – nearly the entirety of the Maine business community – are required to provide up to two weeks of pay (80 hours for

FTEs) for quarantining employees. This includes our small businesses who may never have had to administer paid sick leave in the past.

With reduced revenue streams resulting from the pandemic, this requirement may cause deep concern.

It is important to also remember that the FFCRA also provides for a refundable tax credit for the payroll in this scenario. The credit currently is available through the end of December with their quarterly unemployment filings (form 941).

Allen Insurance and Financial has an HR Compliance Bulletin which may answer many of the questions a business owner or manager may have about these scenarios. [Click here for the PDF.](#)

We also recommend a conversation with your tax preparation professional.

Test Your Knowledge of COVID-19 Mortgage Relief

In response to the pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. Included in the CARES Act are provisions that allow homeowners to delay mortgage payments through forbearance for federally owned or backed mortgage loans.

True or False?

Under the CARES Act, when a mortgage payment forbearance period

ends, a lump-sum balloon payment is immediately required to catch up on missed payments.

Answer: False

Although you can choose to repay all the missed payments at one time in a balloon payment, doing so is not required under the CARES Act. After the suspension ends, a variety of repayment options may be available depending on your lender and mortgage type. Repayment options may include setting up a repayment plan, modifying the payment, or increasing the length of your loan to account for the missed payments.

Once a mortgage is placed in forbearance, the loan payments will be temporarily suspended, but this does not mean the loan is forgiven or removed. The good news is that while the mortgage is in forbearance, late fees will not apply. Interest will continue to accrue on the mortgage during forbearance, however.

The following information can help you determine if you qualify for mortgage payment forbearance:

- **Eligibility:** Eligible homeowners include those who have (1) experienced a COVID-19 hardship, such as a loss of a job, reduction of income, or sickness, and (2) have a federally owned or backed mortgage. Federally backed mortgages may include those backed by the U.S. Department of Housing and Urban Development, Federal Housing Administration, U.S. Department of Veterans Affairs, U.S. Department of Agriculture, Fannie Mae, or Freddie Mac.
 - The Consumer Financial Protection Bureau has [tools](#) to help you look up which organization owns your mortgage. You can also contact your mortgage lender to confirm which organization owns your mortgage.
- **Duration of relief:** Payment relief is available for 180

days. In addition, you can apply for an extension for another 180 days.

- **How to access relief:** Reach out to your loan servicer to discuss solutions available.

Some states have provided temporary relief from certain foreclosures or evictions as well. Many companies are also providing a range of mortgage relief options as needed. For mortgages not backed by the federal government, contact your mortgage servicer to see how it can help.

Post-coronavirus Workplace Preparedness Checklist

By taking workplace preparedness steps such as updating office layouts, encouraging new behaviors and evaluating existing policies, employers can help prevent the spread of COVID-19 and protect the health and safety of employees. To get started, employers can review topics on this checklist. [Click for PDF.](#)

In the Spirit of Helping Others

Our clients include many of the small businesses and non-profit organizations we count on in our communities. News and social media include stories daily of

Mainers helping Mainers and raising money to help others We thought we would highlight some those efforts.

Opportunity Knox: Hosted online by the Penobscot Bay Regional Chamber of Commerce, this is a centralized way to send funds to Knox County area businesses and non-profit organizations. You decide how much you want to give in support, and the website allows you to divide that amount among the businesses and organizations listed. Many, though not all, of those listed are our clients. Participation is not automatic – businesses and non-profits have to ask to be listed. More information: opportunityknox.me

In Belfast, the City of Belfast has set up the **Belfast Keep the Faith Fund**, which is providing grocery vouchers to residents and grants to small businesses. Individuals can call 338-3370 x131 for more information. Donations can be made by check to the City of Belfast with subject line: Belfast KTF Fund and mailed to: City of Belfast, Attn: Belfast Keep the Faith Fund. 131 Church Street, Belfast, ME 04915. A donation to the Belfast Keep the Faith Fund is tax deductible. More information: cityofbelfast.org/groceryvoucher and cityofbelfast.org/smallbusinessgrant.

On MDI, the **Bar Harbor Chamber of Commerce** is highlighting those businesses staying open on their website here: visitbarharbor.com/open. To the best of our knowledge there's no formal effort launched in Southwest Harbor yet, but we are monitoring the situation and should that change we'll update this information asap.

Statewide, a host of organizations have banded together to launch **Pay It Forward Maine** which works in a similar fashion to the Pen Bay Chamber's Opportunity Knox. You can find full details here: payitforwardmaine.com

Also, there is the statewide **Maine Helps** program, designed to connect Mainers looking to volunteer time, treasure or talent so that their impact is maximized and everyone stays safe in the process. Maine Helps connects you with ways to immediately help support nonprofits, businesses, and your community in the fight against COVID-19. More information can be found at this link maine.gov/covid19/maine-helps

Update 4/27/2020:

The UMaine Cooperative Extension is providing an updated list of agricultural (cheese, eggs, produce, etc.) and seafood pickup locations where consumers can purchase food from the people who produce or grow it. Many local fishermen and producers are organizing more informal efforts. Additional information about these can be found on social media outlets like Facebook. Here is a link to the Cooperative Extension web page: <https://extension.umaine.edu/agriculture/farm-product-and-pickup-directory/>

Any support for these efforts— however small it seems – can make a difference for our communities.

A Year-End Financial Planning Checklist

As 2019 draws to a close, it's time to begin organizing your finances for the new year. To help you get started, we've put together a list of key planning topics to consider.

Savings and Investments

Revisit your retirement contributions. Review how much you're contributing to your workplace retirement account. If you're not taking full advantage of your employer's match, it's a great time to consider increasing your contribution. If you've already maxed out your match or your employer doesn't offer one, boosting your contribution could still offer tax advantages. Now is also a good time to ensure that your portfolio allocation remains in line with your objectives.

Take stock of your goals. Did you set savings goals for 2019?

Realistically evaluate how you did, and think about your goals for next year. If you determine that you are off track, we'd be happy to help you develop and monitor a financial plan.

Health and Wellness

Spend your flexible spending account (FSA) dollars. If you have an FSA, those funds may be forfeited if you don't use them by year-end. (Some FSAs offer a 2.5-month grace period or the ability to carry over up to \$500 into the next year; check with your employer to see if those options are available.) It's also a good time to calculate your FSA allotment for next year, based on your current account excess or deficit.

If you're not using an FSA, evaluate your qualifying health care costs to see if establishing one for 2020 would make sense.

Taxes, Taxes, Taxes

Manage your marginal tax rate. If you're on the threshold of a tax bracket, deferring income or accelerating deductions may help you reduce your tax exposure. It might make sense to defer some of your income to 2020 if doing so will put you in a lower tax bracket. Accelerating deductions, such as medical expenses or charitable contributions, into the current tax year (rather than paying for deductible items in 2020) may have the same effect. In addition, reviewing your capital gains and losses may reveal tax planning opportunities—for instance, harvesting losses to offset capital gains.

Here are a few key 2020 tax thresholds to keep in mind:

- The 37 percent marginal tax rate affects those with taxable incomes in excess of \$518,400 (individual), \$622,050 (married filing jointly), \$518,400 (head of household), and \$311,025 (married filing separately).
- The 20 percent capital gains tax rate applies to those with a taxable income in excess of \$441,450 (individual), \$496,600

(married filing jointly), \$469,050 (head of household), and \$248,300 (married filing separately).

- The 3.8 percent surtax on investment income applies to the lesser of net investment income or the excess of modified adjusted gross income over \$200,000 (individual), \$250,000 (married filing jointly), \$200,000 (head of household), and \$125,000 (married filing separately).

Consider the benefits of charitable giving. Donating to charity is another good strategy for reducing taxable income. If you'd like to help a worthy cause while trimming your taxes, it's worth exploring your charitable goals and various gifting alternatives.

Make a strategy for stock options. If you hold stock options, now is a good time to make a strategy for managing current and future income. Consider the timing of a nonqualified stock option exercise. In light of your estimated tax picture, would it make sense to avoid accelerating income into the current tax year or to defer income to future years? And don't forget about the alternative minimum tax (AMT). If you're considering exercising incentive stock options before year-end, have your tax advisor prepare an AMT projection to see if there's any tax benefit to waiting until January of the following year.

Plan for estimated taxes and required minimum distributions (RMDs). When considering your taxes for 2019, be sure to take any potentially large bonuses or a prosperous business year into account. You may have to file estimated taxes or increase the upcoming January payment. If you're turning 70½, you'll need a strategy for taking RMDs from your traditional IRA and 401(k) plans.

Adjust your withholding. If you think you may be subject to an estimated tax penalty, consider asking your employer (via Form

W-4) to increase your withholding for the remainder of the year to cover the shortfall. The biggest advantage of this is that withholding is considered as having been paid evenly throughout the year instead of when the dollars are actually taken from your paycheck. You can also use this strategy to make up for low or missing quarterly estimated tax payments.

Proactive Planning

Review your estate documents. To help ensure that your estate plan stays in tune with your goals and needs, you should review and update it on an ongoing basis to account for any life changes or other circumstances. If you haven't done so during 2019, take time to:

- Check trust funding
- Update beneficiary designations
- Take a fresh look at trustee and agent appointments
- Review provisions of powers of attorney and health care directives
- Ensure that you fully understand all of your documents

Check your credit report. It's important to monitor your credit report regularly for suspicious activity that could indicate identity theft. Federal law requires that each of the nationwide credit reporting companies (Equifax, Experian, and TransUnion) provide you with a free copy of your report every 12 months, at your request.

Get professional advice. Of course, this list is far from exhaustive, and you may have unique planning concerns not covered here. As you prepare for the coming year, please feel free to reach out to us to discuss the financial issues and deadlines that are most relevant to you.

Whatever your planning may entail, we wish you a happy, healthy, and prosperous 2020!

Accepting Internship Applications for Summer 2020

3/26/2020: We are pausing the application process for this program.

Allen Insurance and Financial is accepting applications for its 2020 summer internship program, which offers a 12-week immersion into the company's three insurance divisions (personal, business and health) and its financial planning/investment management group.

Applications from college juniors and seniors will receive priority review; all applicants will be considered. This is a paid position, based in Camden.

To receive a copy of the job description and start the application process, please email Jill Lang at jlang@allenif.com. Deadline for applications will be set in early 2020. Interns should expect to start work in late May or early June 2020 and work through mid- to late August.

Chemo Caps for Kids Program

Receives Strong Support from Midcoast Community



Kim Edgar

Allen Insurance and Financial is pleased to announce its continued support for the Chemo Caps for Kids initiative sponsored by Commonwealth Cares Fund Inc., the 501(c)(3) charity founded by Allen's Registered Investment Adviser-broker/dealer, Commonwealth Financial Network®. Chemo Caps for Kids provides hand-knit and crocheted hats to children undergoing cancer treatment.

"We've donated more than 5,000 hats to hospitals across the United States through our Chemo Caps for Kids program," said Commonwealth CEO Wayne Bloom. "What started as a homegrown effort to help bring smiles to a few kids' faces has grown into a community-wide project that is making an even greater impact. Our knitters and crocheters now include employees, advisors, family of staff and advisors, and friends of friends who are all using their talents to help kids who are in treatment."

For five years, Allen Insurance and Financial has been participating in the creation of these caps and invites the community to join the effort. Kimberly Edgar of Allen's Camden office is coordinating the program locally.

"We are grateful to Cashmere Goat in Camden, Maine Alpaca Experience in Northport, Unity and Ellsworth and Heavenly Socks Yarns in Belfast for their help with publicity to their customers," said Edgar, noting that a large of Midcoast knitters, all pretty much anonymous, have dedicated serious

time and creativity to this cause.

Anyone interested in donating yarn or knitting time to this project can call Edgar at 230-5831.

Some of hats from Maine have been distributed to hospitals in New England as well as to places such as Phoenix Children's Hospital and the Ann & Robert H. Lurie Children's Hospital of Chicago.

Commonwealth Cares provides contributions of time, talent, and financial support to a wide range of philanthropic efforts aimed at relieving human suffering, promoting social and economic growth, and sustaining and protecting our planet's resources. All operating and administrative expenses for Commonwealth Cares are borne by Commonwealth. One hundred percent of every dollar contributed goes directly to those in need.

MOFGA Receives Grant from Harvard Pilgrim Health Care and Allen Insurance and Financial

The Maine Organic Farmers and Gardeners Association (MOFGA) recently received a \$5,000 grant from Harvard Pilgrim Health Care Foundation and Allen Insurance and Financial to increase access to and affordability of healthy, nutritious food for low income families. MOGFA has a longstanding commitment to help all Maine people acquire local, organic foods regardless of

geography or income. Pictured in the photo, left to right, are: Bill Whitmore, Maine Market Vice President, Harvard Pilgrim Health Care; Sarah Alexander, Executive Director, Maine Organic Farmers and Gardeners Association; and Dan Wyman, JD, Insured Benefits Manager, Allen Insurance and Financial.

