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EYE ON MONEY

MAR APR 2021

14 Ways to Protect Your Finances

plus YOUR CHILD'S INVESTMENT INCOME AND TAXES

CHARITABLE GIFTS THAT PAY YOU INCOME

SAVING FOR RETIREMENT MEDICAL EXPENSES WITH AN HSA

You have until

APRIL 15, 2021

to contribute if eligible to a traditional or Roth IRA and an HSA for 2020.

If you have not contributed to your traditional or Roth IRA and your health savings account (HSA) for 2020 yet, consider contributing soon. April 15, 2021 is the last day that you can make a contribution for 2020. The maximum contribution amounts for 2020 and 2021 are shown below.

	2020 MAXIMUM	2021 MAXIMUM
Traditional and Roth IRAs		
Regular Contributions	**$6,000**	**$6,000**
Catch-Up Contributions if Age 50 or Older	**$1,000**	**$1,000**
Health Savings Accounts (HSAs)		
Contributions if Self-Only HDHP Coverage	**$3,550**	**$3,600**
Contributions if Family HDHP Coverage	**$7,100**	**$7,200**
Catch-Up Contributions if Age 55 or Older	**$1,000**	**$1,000**

Additional limitations may apply to the maximum amount you may contribute.

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SAVING FOR MEDICAL EXPENSES IN RETIREMENT WITH A

Health Savings Account

If you are covered by a high-deductible health plan (HDHP), you may be eligible to contribute to a health savings account (HSA)—a type of account with tax advantages that makes it possible for you to pay qualified medical expenses with income-tax-free dollars. Although the account can be used to pay current medical expenses, it can also be used to tax-efficiently save for medical expenses that may be years away, such as in retirement.

HSAs offer a trio of tax advantages[1] that make them an extremely tax-efficient way to save for your future medical expenses.

- **Your contributions are either pre-tax or tax-deductible.**
- **Growth is tax-free.** Any interest and other earnings on the assets in your HSA are tax-free.
- **Withdrawals used for qualified medical expenses are tax-free.** Qualified expenses include expenses such as deductibles, copays, coinsurance, lab fees, and prescription drugs. They also include Medicare premiums (but not Medigap premiums) and long-term care insurance premiums.

Three tax advantages are one more than offered by IRAs and 401(k) plans, where either your income is taxed before it enters the account or your money is taxed as it leaves the account. With an HSA, your money goes in income-tax-free, potentially grows tax-free, and comes out tax-free as long as it is used for qualified medical expenses.

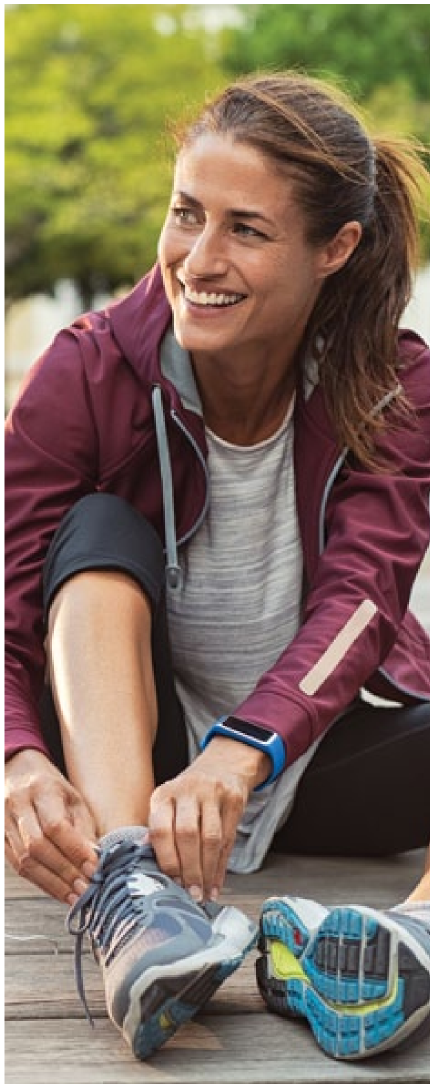
Plus, the funds in your HSA remain in your account until you use them. The "use it or lose it" rule that generally applies to flexible spending accounts does not apply to HSAs. Any HSA funds that you do not use this year can be used in future years—even in retirement.

If you decide to use your HSA to build savings for your medical expenses in retirement, consider contributing to your HSA every year and paying your current medical bills out of pocket. By not dipping into your HSA for your current expenses, more money remains in the account where it can potentially grow tax-free for decades to come.

An HSA may also come in handy for nonmedical expenses in retirement. Money can be withdrawn from an HSA for any purpose, although you'll need to pay income tax on amounts withdrawn that exceed your qualified medical expenses. You'll also pay a 20% penalty if you are under age 65 when you make the withdrawal. However, the penalty does not apply to withdrawals made after you reach age 65. You will still need to pay income tax on your nonmedical withdrawals—just as you would on the taxable portions of withdrawals from traditional IRAs and 401(k) plans.

If you are eligible to contribute to an HSA, talk to your financial professional about how an HSA may fit into your plans for retirement. ■

1 This article pertains to federal taxation only. State tax may apply in a few states. Please check with your tax professional.



Please consult your financial professional for advice on saving for future medical expenses.

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Types of U.S. Treasury Securities

The U.S. Treasury issues several types of securities, each backed by the full faith and credit of the U.S. government and offering interest income that is exempt from state and local income taxes. Here are a few things to know about some of them. Please consult your financial professional for specific advice.

TREASURY BONDS Treasury bonds are issued for relatively long terms of 20 and 30 years. They pay a fixed rate of interest every six months until they mature, at which time you are paid the bond's face value.

TREASURY NOTES Treasury notes are issued for terms of 2, 3, 5, 7, and 10 years and pay a fixed rate of interest every six months. At maturity, you are paid the note’s face value.

TREASURY BILLS (T-BILLS) Treasury bills have shorter terms than the other Treasury securities described here and are generally issued for terms of 4, 8, 13, 26, and 52 weeks. Instead of paying interest periodically throughout the bill’s term, Treasury bills are usually sold at a discount from their face value and are redeemed at their face value at maturity. The difference between a bill’s purchase price and its face value is the interest.

TREASURY INFLATION-PROTECTED SECURITIES (TIPS) TIPS offer protection from inflation and are issued for terms of 5, 10, and 30 years. Although they pay a fixed rate of interest every six months, TIPS’ principal is adjusted for inflation based on changes in the Consumer Price Index. As a result, TIPS’ interest payments fluctuate in value—increasing when inflation occurs and decreasing when deflation occurs. At maturity, you are paid the adjusted principal or the original principal, whichever is greater.

FLOATING RATE NOTES (FRN) Floating rate notes are issued for a term of 2 years and pay interest quarterly. The interest rate used to calculate the interest payments is reset weekly. Because the interest rate varies over the note's term, the amount of interest paid each quarter will also vary. You are paid the note's face value at maturity. ■

PLEASE NOTE: The government backing on U.S. Treasury securities refers only to the timely payment of interest and principal. It does not eliminate market risk. If you sell a Treasury security before its maturity date, you may receive more or less than you paid for it.

Bonds are subject to interest rate risk. When interest rates rise, bond prices usually fall. The effect is usually more pronounced for longer-term securities. Fixed-income securities also carry inflation risk and credit and default risks for both issuers and counterparties.

Test Your Knowledge of Roth IRAs

There are two main types of individual retirement accounts: Roth IRAs and traditional IRAs. Here's an opportunity to see how much you know about Roth IRAs and the tax benefits they offer. Please consult your financial professional for advice about saving for retirement.

1 TRUE OR FALSE: Your Roth IRA contributions can be withdrawn tax-free at any time.

True. The money you contribute to a Roth IRA can be withdrawn tax-free at any time.

2 TRUE OR FALSE: Investment earnings can generally be withdrawn tax-free in retirement.

True. Investment earnings can be withdrawn tax-free after you reach age 59½ and the Roth IRA has been open for at least 5 years. Earnings withdrawn prior to age 59½ will generally be subject to ordinary income tax, as well as a 10% early withdrawal tax penalty unless an exception to the penalty applies.

3 TRUE OR FALSE: Anyone can contribute to a Roth IRA.

False. Your income must be under certain limits for you to contribute new money to a Roth IRA. For 2021, your modified adjusted gross income must less than $140,000 if you are single, $208,000 if you are married and file jointly, or $10,000 if you are married, file separately, and lived with your spouse during the year. Plus, you (or your spouse if you are married and file jointly) must have taxable compensation, such as wages, to contribute to an IRA.

4 TRUE OR FALSE: Anyone can convert a traditional IRA to a Roth IRA.

True. No matter how high your income, you can convert your traditional IRA to a Roth IRA. Keep in mind that you'll need to pay income tax that year on the amount you convert that was not taxed previously.

5 TRUE OR FALSE: Roth IRA account owners do not have to take RMDs.

True. You do not have to take required minimum distributions (RMDs) at any age if you are the account owner. ■

14 Ways to Protect Your Finances

Are you ready financially for what life may throw your way? The following tips can help protect your finances and your financial security from life's curveballs, such as job losses, health issues, identity theft, and more. Please consult your financial professional for specific advice.

FINANCIAL SECURITY

Set aside money for emergencies. Life happens—and having some cash that you can draw on for unexpected expenses and emergencies, such as a job loss, can help prevent life's unpleasant surprises from undermining your long-term financial security. Without some readily available cash, you may find yourself turning to your retirement accounts or high-interest credit cards to cover your living expenses.

So how much cash should you set aside for emergencies? One rule of thumb is to set aside enough cash to cover three to six months of living expenses. But before you settle on an amount, be sure to consider your specific situation. For example, if you work in a field where it may take longer than six months to find a new job, you may want to set aside enough money to cover your living expenses for more than six months.

And what type of account should you use for your emergency fund? Savings accounts, money market accounts, and certificates of deposit (CDs) are generally good choices. Each of them pays interest and can be accessed quickly when emergencies arise.

Keep in mind that while CDs often pay a higher rate of interest than other types of accounts, they also generally charge an early withdrawal penalty if you withdraw cash before they mature. If you decide to use CDs, consider opening several CDs that mature at different times so that you'll have penalty-free access to your cash at regular intervals. You may also want to pair your CDs with a savings or money market account that you can draw on first while you wait for your CDs to mature.

Protect your income with disability insurance. If you become sick and are unable to work for a long period of time, how will you pay your living expenses? An emergency fund can help for a few months, but after that? Unless you have sizable financial resources, you may be forced to dip into your retirement savings, which can do serious damage to your plans for retirement.

Fortunately, there is a type of insurance that can provide you with a monthly income when you are unable to work due to a serious illness or injury. It's called disability insurance.

There are two main types of disability insurance: short-term and long-term. Short-term disability insurance, which many employers offer, typically replaces part of your income for a short period of time, such as three or six months. Long-term-disability insurance replaces part of your income for a longer period, generally after a waiting period of six months or so after the disability occurs. It may pay benefits for up to a specific number of years or until retirement age, depending on the policy.

Some employers offer long-term disability insurance. These policies typically replace a percentage of your salary, but not beyond a specific maximum amount per month. For example, a policy may replace 60% of your base salary up to $5,000 per month.

If you have a policy through your employer, review it carefully. If it looks like it will not replace enough of your income, consider purchasing supplemental coverage to bridge the gap between what the employer's basic policy will pay and the amount you may actually need to cover your living expenses.

If your employer does not offer long-term disability insurance or you are self-employed, consider purchasing an individual policy on your own.

Protect your assets with umbrella insurance. Umbrella insurance is designed to help protect your assets from large liability claims that exceed the limits on your homeowners, auto, and boat insurance policies, which may be as low as $100,000, $300,000, or $500,000.

Here's how umbrella policies generally work. Let's say that you have an auto insurance policy with $250,000 of liability coverage per person for bodily injury and that you also have a $2 million umbrella policy. If someone is seriously injured while you are driving and is awarded, let's say, $750,000 in a lawsuit, your auto policy will generally cover the first $250,000 and your umbrella policy will cover the remaining $500,000. Without the umbrella policy, you may have to pay the $500,000 from your own assets.

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Protect your family with life insurance.

If there are people in your life who depend on you financially, life insurance can help protect their financial security after your death by providing a cash payout that can help them cover their everyday living expenses and perhaps larger expenses also, such as college tuition. Life insurance has the potential to help in so many ways, not the least of which is easing your mind about the financial future of the people you love.

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Be smart when using mobile payment apps.

Apps, such as Venmo, Cash App, and Zelle, are a convenient way for friends and family to send each other cash using their smartphones. They can also be a way for fraudsters to scam unwary users out of their money. To help avoid this possibility, only use the apps with people you know and trust and then make certain you are sending the money to the correct person. It is generally not a good idea to use a mobile payment app to buy or sell things to someone you do not know.

Protect your finances by naming someone to handle them when you cannot. If an illness or injury leaves you unable to manage your finances for a period of time, who will manage them for you? Who will pay your bills, handle your banking, file your tax returns, and manage your money on your behalf?

To prepare for the possibility that you may one day become incapacitated, it's a good idea to line up someone you trust now who can manage your finances for you in the future if necessary. That person might be a trusted family member or friend.

Once you've chosen someone, it's time to make it legal. One way to do that is by setting up a durable power of attorney for finances. This legal document gives the person you choose—your agent—the authority to manage your finances on your behalf. The "durable" nature of the document means that it remains in effect when you are incapacitated so that your agent can quickly begin managing your finances for you.

Another way to transfer control of your assets is with a revocable living trust. This legal document allows the successor trustee you choose to step in and manage the assets in the trust for your benefit if you ever become incapacitated.

When choosing an agent for your power of attorney or a successor trustee for your revocable living trust, consider also choosing a trusted back-up person in case your first choice is unable to serve.

And consider exploring your financial institutions' policies regarding powers of attorney ahead of time. Some institutions may prefer that you use their own power of attorney forms.

Please consult your legal professional about the legal steps you can take to help protect your finances in the event you become unable to manage them on your own.

BANKING

Review your checking and savings accounts regularly. Although it's impossible to make banking completely safe, there are things you can do to help protect your bank accounts and the money in them from fraud. First and foremost, keep an eye on the activity in your checking and savings accounts by promptly reviewing your bank statements and using your bank's app or website to keep track of account activity between statements. You may also want to sign up for text or email alerts from your bank that notify you when there is activity in your account. If you spot any unauthorized transactions, report them to your bank immediately.

Protect your account information. Don't make it easy for thieves to access your financial accounts. Create a separate complex password for each account. Make certain the mobile device or computer you use for online banking is secure. Shred your paper statements before you throw them away. And be wary of calls, emails, or texts—even if they appear to come from your bank—requesting your account number, Social Security number, or birthdate. Scammers use pieces of information such as these to gain access to your current accounts and to open new credit accounts in your name.

Keep your debit and ATM card numbers safe. To help prevent scammers from using your debit or ATM card to gain access to the money in your bank accounts, the Federal Trade Commission recommends that you don't disclose your card numbers to anyone over the phone unless you initiated the call, don't leave your account information out in the open where others may see it, don't carry your PIN number with you, and do limit the cards in your wallet to just those that you actually need.

Pay attention to the FDIC-insurance limits.

To help protect the money in your checking and savings accounts from bank failures, keep an eye on the amount of money you keep at any one bank. The Federal Deposit Insurance Corporation insures deposit accounts up to $250,000 per depositor, per insured bank, for each account ownership category. If your deposits exceed the insured limit and the bank fails, you may lose a portion of your uninsured funds. You can learn more about FDIC-insurance at the FDIC's website, www.fdic.gov.

Consider using a credit monitoring service.

Although a credit monitoring service may not prevent someone from stealing your identity and using it to open new credit accounts, it may help you spot fraudulent activity sooner. These services will generally send you an alert when changes are made to your credit reports, such as new accounts being opened, new inquiries from lenders to review your credit report, and changes to your personal information.

Know your balance. Knowing the balance in your checking account before initiating new transactions can help you avoid overdrafts and related fees. And thanks to technology, checking your balance has never been easier. You can generally check it using your bank's mobile app or by logging into your account online. If your bank offers text or email alerts, you may be able to have your balance sent to you automatically each day. No matter which method you use to determine whether you have sufficient funds, remember to subtract from your balance any automatic bill payments that are scheduled to be processed soon and checks you've written that have not reached the bank yet.

CREDIT

Review your credit reports regularly. To help protect your credit, check your credit reports regularly. Businesses use your credit reports and the credit scores derived from them to judge whether you are a good credit risk. A higher credit score improves your chances of qualifying for mortgages, loans, and credit cards and can result in a better interest rate and credit terms. A higher credit score may also result in lower premiums for auto insurance.

Reviewing your credit reports gives you an opportunity to spot and correct errors in your credit history that, if not caught, may result in you being denied credit when applying for a new loan or credit card or paying higher rates than necessary for credit and auto insurance.

A review also gives you an opportunity to look for signs of fraud, such as accounts you did not open, inquiries from creditors you do not recognize, and addresses where you never lived.

You are entitled to one free credit report every 12 months from each of the three major credit reporting agencies—Equifax, Experian, and Transunion. The free reports are available online at www.AnnualCreditReport.com or by calling 1-877-322-8228. ■

Please consult your financial professional.

Please consult your financial professional for advice on what you can do to help protect your finances and your financial security from what life may throw your way.

Consider freezing your credit reports.

To help prevent new credit accounts from being fraudulently opened in your name, you may want to "freeze" your credit reports. A credit freeze restricts access to your credit reports, making it more difficult for identity thieves to use your identity to open new accounts.

You must contact each of the major credit reporting agencies separately to place or lift a freeze. It is a free service.

- Equifax.com or 888-298-0045
- Experian.com or 888-397-3742
- TransUnion.com or 888-909-8872

Your Child's Investment Income and Taxes

Even young kids may have to pay tax on their investment income, depending on the amount they receive during the year. If their unearned income—interest, dividends, capital gains, and certain other types of income—was more than $1,100 in 2020, Uncle Sam expects a cut of it.

How much of a cut? Assuming the child only has unearned income, the first $1,100 of it is generally not taxed thanks to a $1,100 standard deduction available to dependents. The next $1,100 is taxed at the child's tax rate. And any amount over $2,200 is taxed at the parent's tax rate. (2020 and 2021 amounts are used here.)

Taxing the amount of unearned income over $2,200 at the parents' tax rate is known as the "kiddie tax" and is intended to limit the tax benefit that parents might receive by shifting their investments to their children simply to take advantage of the children's lower tax rates.

The kiddie tax rules apply to the unearned income of children under age 18, as well as 18-year-olds and full-time students under age 24 whose earned income is less than half of their support.

Will your child have to file a tax return? If the child's unearned income is greater than $1,100, it generally must be reported on a tax return. Your child can file his or her own tax return, or you may be able to report the income on your own return. To report it on your return, your child's gross income must be less than $11,000, it must consist only of interest and dividends (including capital gain distributions and Alaska Permanent Fund dividends), and a few other conditions must be met.

Although reporting your child's unearned income on your tax return may be more convenient, be sure to consider the impact that the additional income may have on your own taxes. For example, an increase in your income may reduce the value of certain tax credits and deductions that have income limits.

It's a lot to consider and things get even more complex if your child has earned income from working, in addition to unearned income. And we've only scratched the surface of the kiddie tax rules here. So please consult your tax professional about how to handle your child's taxes. ■

Unearned income is generally all income other than amounts received as pay for working. It includes:

- **Taxable interest**
- **Dividends**
- **Capital gains (including capital gain distributions)**
- **The taxable part of social security and pension payments**
- **Certain distributions from trusts**
- **Unemployment compensation**

HYPOTHETICAL EXAMPLE

Let's say that in 2020 your 14-year-old daughter received $5,000 in unearned income, all of it interest income. She did not receive any earned income from working. The federal tax on her $5,000 of unearned income is generally figured this way:

- The first $1,100 of her unearned income is not taxed.
- The next $1,100 is taxed at her federal tax rate, which is 10% in this example. That results in a tax of $110.
- The remaining $2,800 of unearned income is taxed at your tax rate. For the sake of this example, let's say you are in the 35% federal income tax bracket. So the tax on the $2,800 would be $980, bringing the total federal tax on your daughter's interest income to $1,090.

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How a child's investment income is generally taxed.

This illustration applies only to federal taxation. It assumes the child has only unearned income. 2020 and 2021 amounts are used.

First $1,100:

Tax-free.

Next $1,100:

Taxed at the child's tax rate.

Amounts over $2,200:

Taxed at the parents' tax rate.

5 Things to Know About Charitable Gifts That Pay You Income

A type of charitable gift known as a life income gift can help you fulfill your philanthropic goals and generate an income stream for yourself or others. Here are five things to know about gifts that pay you income. Please consult your financial professional for advice on life income gifts, as well as other ways to meet your philanthropic and financial objectives.

Life income gifts benefit you now, charities later.
Life income gifts are a way for charitably-minded individuals to both give and receive. Here's how they typically work. After you make a gift of cash, securities, or other assets, you receive a stream of income for life or a specified number of years. If you prefer, you can name a different beneficiary to receive the income. The assets remaining after the last beneficiary dies or the trust ends are then used by the charitable organization.

This approach to charitable giving is designed to help protect your financial security now and support your favorite charities later.

The tax benefits can be significant.
When you make a life income gift, you can claim a charitable deduction for a portion of your gift, assuming you itemize deductions on your tax return. The exact amount of your deduction will depend on the amount of your gift that is expected to eventually pass to charity.

Another potential tax benefit is that in certain situations when you donate long-term appreciated assets, you do not pay capital gains tax at the time of the gift. This means that your entire gift may be available to be reinvested. If you donate assets that are currently yielding little or no income, you may receive a larger income stream than if you sold the assets yourself, paid the tax on the capital gains immediately, and reinvested the remainder.

There's more than one way to make a life income gift.
The first way is with a charitable gift annuity, which is a contract between you and your chosen charity in which the charity promises to pay you and/or another beneficiary a fixed income for life in return for your gift of cash, securities, or other assets. The promise of life-long income is backed by the charity's assets.

The amount of your income payments will depend on several factors, including your age when the payments begin and whether the payments are for one life or two. Generally speaking, the older you are when the income payments begin, the higher your payments will be.

The second way to make a life income gift is with a pooled income fund. This type of giving arrangement is actually a trust created by a charitable organization in which your contribution is "pooled" for investment purposes with contributions from other donors. Each quarter, the fund pays you and/or another beneficiary a proportional share of the fund's net income. The amount of income you receive each period will vary, depending on how the fund's investments have performed.

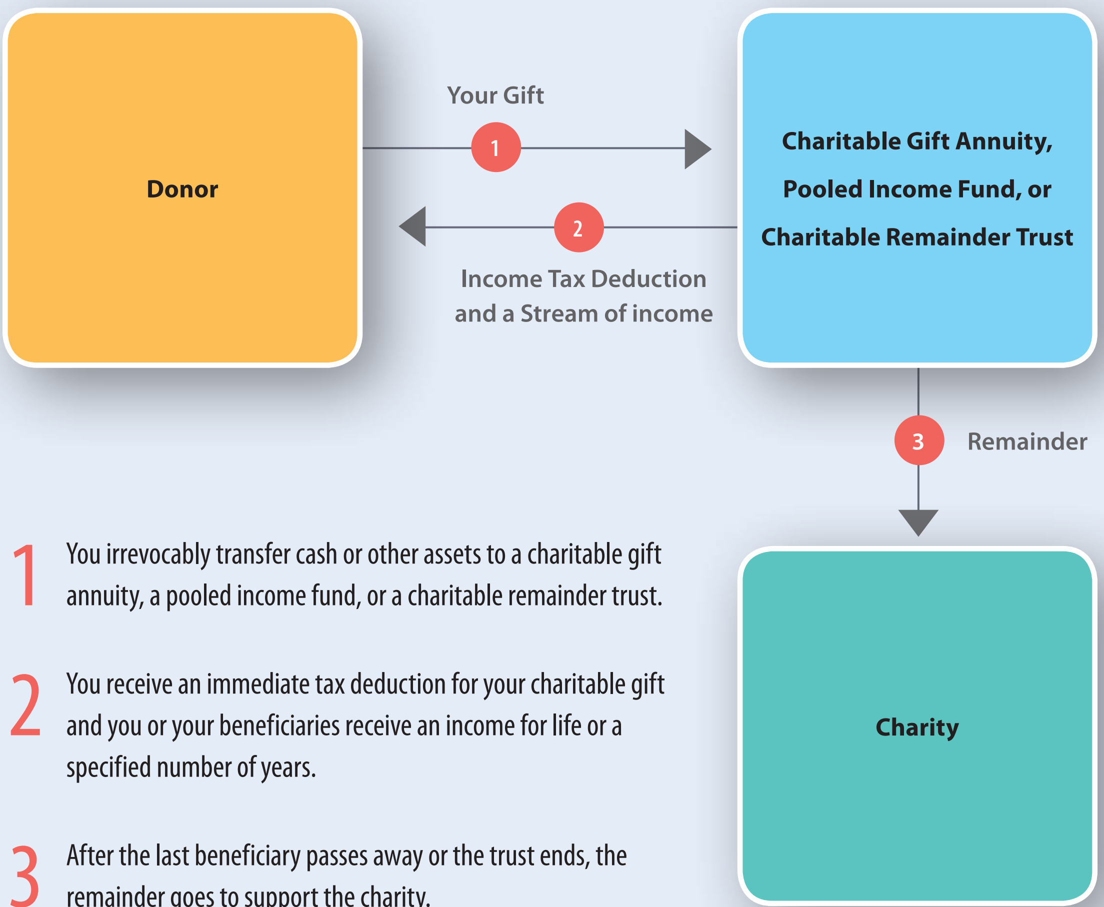
The third way to make a life income gift is with a charitable remainder trust, which is a type of private trust that you set up and fund to generate income for yourself or others with the remainder going to your favorite charities.

Many charities offer charitable gift annuities and pooled income funds.
Many religious, educational, and charitable organizations have charitable gift annuities and pooled income funds available to donors who want to support their organizations. They typically require a donation of at least $5,000 or $10,000 and will generally accept cash or securities.

A charitable remainder trust offers more flexibility.
With a charitable remainder trust, you choose the individual or the organization who will manage the trust. You can name more than two beneficiaries to receive the income payments. You can choose to have the income payments last for life or for a specified period of years. You can choose more than one charitable organization to receive the trust's remaining assets. And depending on the type of trust you choose, the trust can pay you a fixed amount each year or a fixed percentage of the trust's assets as they are valued each year.

All this flexibility comes at a price, however. Because charitable remainder trusts are custom designed and individually managed, there are significant costs associated with setting them up and running them. A minimum contribution of $50,000 to $100,000 may be needed to justify the cost. ■

How Life Income Gifts Generally Work



1 You irrevocably transfer cash or other assets to a charitable gift annuity, a pooled income fund, or a charitable remainder trust.

2 You receive an immediate tax deduction for your charitable gift and you or your beneficiaries receive an income for life or a specified number of years.

3 After the last beneficiary passes away or the trust ends, the remainder goes to support the charity.

THE BIG BLUE | Cook Islands

BY BRIAN JOHNSTON

If you want to truly get away beyond the concrete and the tourist crowds in the Pacific, then head to the stunning Cook Islands and do lots of nothing at all.

THERE'S SOMETHING THRILLING and unnerving about Pacific islands. As you pass time during your flight, the screen map shows nothing but blue as the airplane icon tracks across an empty expanse like a lost dot. Then, out of an endless ocean, an effervescence of reefs and aquamarine lagoons appears beneath the wings, followed by lush green peaks. The plane swoops down on the merest sliver of flat land. Minutes later, you're walking across a hot tarmac and into a tiny airport no larger than a city convenience store.

Nowhere is that feeling more apparent than when you touch down on Rarotonga in the Cook Islands, one of only fifteen islands—total population 17,000—in a group flung across a staggering 700,000 square miles of Pacific Ocean. As you pass through customs, you're serenaded by a ukulele player and flowers are draped around your neck. Next day, you wake up to a sunny sky, white-sand beaches, and coconut groves.

There are other getaways in the Pacific of course, which are much better known. But the Cook Islands have no crowds, least of all on its beaches. The only traffic is the jam of fish that flit across its fringing reefs. You can walk along sandy paths lined with flowering hibiscus and find no one but a leather-skinned fisherman standing knee-deep in surf, or a farmer plucking mangoes from his trees. Visitors come here to temporarily leap off the spinning wheel of modern life and flop in the warm, shallow waters of a blue lagoon beneath clichéd leaning coconut trees. Doing nothing much of anything is the highlight of a Cook Islands holiday, which is just as it should be.

Rarotonga is the main island, though it's barely a blip in the ocean. The coastal road that rings it wanders just twenty miles around its circumference, LEFT: **One Foot Island (left) is one of several small islands that ring the turquoise waters of the Aitutaki lagoon, considered by many to be the most beautiful lagoon in all the Pacific.** BELOW: **Sunsets in Rarotonga, the largest of the Cook Islands, are a photographer's dream.**

on occasion dipping right down to the edge of a dazzling electric-blue lagoon. Your only dilemma is whether to explore it clockwise or counterclockwise. You'll pass a tangle of small businesses, one-pump gas stations, fishing-tackle shops, and convenience stores. Plus some pretty little churches painted gleaming white, surrounded by palm trees bent as if in prayer over tombstones. Many homes have family tombstones in their front yards, which is disconcerting at first, though after a while rather endearing. Locals decorate them with flowers and have barbecues around their edges.

Everything moves to an island rhythm. The speed limit is 25 miles per hour, though many cars drift along even more slowly. Pedestrians are sluggish in the tropical warmth. Kids in crisp white shirts and uniforms—a remnant of British colonial days—shuffle slowly to school. Prisoners (usually fewer than a dozen) are let out on day release to help trim gardens and paint houses.

You can hire cars, motor scooters, and bicycles to get about, or use the Cook Islands Bus, which runs regular services around the coastal road in both directions. You can't get lost. The bus will stop to set passengers down almost anywhere you ask. There's also an older inland road that you should take time to explore. It wanders through fields planted with taro, pawpaw, and bananas. As you climb into the hills you get spectacular views over the lush tropical island and its vivid blue lagoon, trapped behind a fringing reef where surf booms.

To get more insight into local life, you could take a tour and learn about Rarotonga's heritage, farming, and traditional way of life, often followed by an *umu* lunch of chicken and vegetables baked underground on hot stones. You should also visit the Cook Islands Cultural Centre, which has a sacred marae (ceremonial meeting house), and runs theatre shows and demonstrations of arts and crafts.

The weekly market at Avarua is the place to energize the taste buds. Avarua is the Cook Island's capital, though really just a spot on the road with a few more houses than normal. Wrinkle-faced

women with garlands of white tiare flowers in their hair preside over stalls loaded with tropical fruit and curries to go. If you've never experienced the flavor explosion of a freshly cut pineapple this is your chance—not to mention the flavors of more unusual treats such as custard apples or dragon fruit. Kids slurp ice-cream and dogs lie in the shade, tongues lolling. Locals singers, backed by ukulele players, entertain the market visitors. Someone is always playing a ukulele in the Cook Islands.

For most visitors, a tour or two and a visit to the market are diversions from a vacation otherwise spent at a resort or floating about on the lagoon. But if you've come all this way, you shouldn't miss a detour of several days to Aitutaki island, an hour's flight away in a propeller plane, yet another whole world away even from Rarotonga. The slow life here practically grinds to a complete halt. This is the ultimate island getaway. By the time a driver with a hibiscus behind his ear has driven you to your resort just minutes from the airport, the phone and TV in your bungalow seem like strange artefacts from another civilization.

If Rarotonga is laidback, Aitutaki turns this attitude into an art form, and visitors are soon absorbed into the languid pace. The island has just a few thousand inhabitants. If two cars pass, their drivers might stop for a chat. Kids loiter by the roadside just so they can wave and giggle at passersby. On Sundays, everyone heads to church in flowery hats. But perhaps the biggest excitement is the Saturday night disco on the township's tiny harbor, when shy teenagers shuffle in a tin shed to the sounds of an amiable DJ.

You come to Aitutaki to sleep in, take leisurely walks by the seashore, and drink cold beers as the sun sets in an extravagance of lurid color. You can fish for yellow tuna and marlin, but otherwise there's blissfully nothing to do except swim, snorkel, sail, and fantasize about calling your boss with the news you'll never be back.

Aitutaki's lagoon is the biggest drawcard, regularly cited as the most beautiful in the entire Pacific. Its outer edge runs for 27 miles and is sprinkled with sand islands known as motus. Maina Motu has coral formations just offshore, making it great for snorkeling. One Foot Island is shaped like a footprint and encased in shimmering waters of turquoise and eggshell blue. You're surrounded by vast blue sky and sea that goes on to infinity. Just you, and breeze-tossed white birds, and hermit crabs scuttling across the sand. ■

FYI

Botanical Gardens: Spring Spectacular

With warmer weather and flowering trees and plants bursting into spectacular bloom, spring is a wonderful season to visit a botanical garden. Here are just a few of the outstanding gardens awaiting you this spring.

BRONX, NY

New York Botanical Garden | *www.nybg.org*

This 250-acre botanical garden in the Bronx is awash in color each spring as golden daffodils dance in the breeze and azaleas paint the hillsides with splashes of purple, pink, and coral. Joining the vibrant blooms this year are multiple installations by internationally celebrated Japanese artist Yayoi Kusama, perhaps best known for her mirrored infinity environments. Rescheduled from 2020, the *KUSAMA: Cosmic Nature* exhibition is expected to run from spring to fall 2021 and will feature multiple installations located throughout the grounds and conservatory. Please check the Garden's website for the exact dates.

BROOKLYN, NY

Brooklyn Botanic Garden | *www.bbg.org*

The Brooklyn Botanic Garden is one of the best places to enjoy cherry blossoms in North America as its more than 200 flowering cherry trees put on their annual show over the course of a month each spring, usually from late March through early May. Flowering magnolias, daffodils, lilacs, and tens of thousands of Spanish bluebells add to the beauty of this 52-acre garden in the heart of Brooklyn during the springtime.

DALLAS, TX

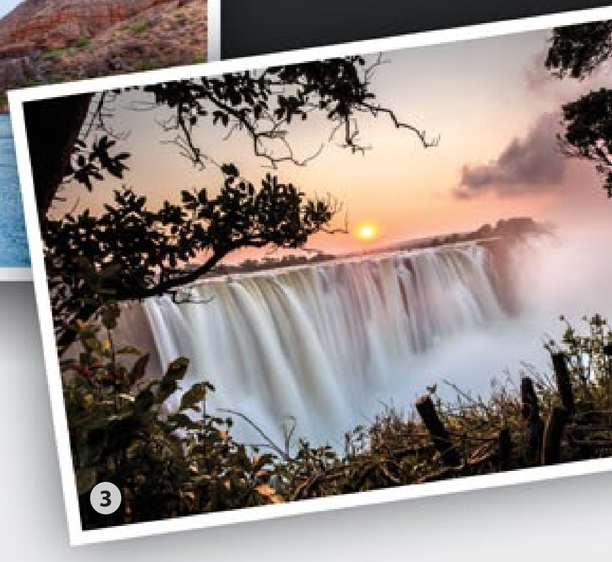
Dallas Arboretum and Botanical Garden | *www.dallasarboretum.org*

Each spring, the Dallas Arboretum and Botanical Garden presents Dallas Blooms, a floral festival showcasing its masses of spring-blooming plants and trees. The annual event generally runs from early March through mid-April and features more than 500,000 flowering bulbs, 3,000 azaleas, 150 cherry trees, and tens of thousands of spring annuals. The Arboretum is located on 66 acres on the shores of White Rock Lake, just minutes from downtown Dallas.

SAN FRANCISCO, CA

San Francisco Botanical Garden | *www.sfbg.org*

Signs of spring appear very early at the San Francisco Botanical Garden—as early as mid-January in fact—as the Garden's magnificent magnolia trees begin to bloom. More than 200 magnolia trees, many rare and historic, are scattered throughout the Garden's 55 acres and together comprise the most significant conservation collection of magnolias in the United States. Their bloom time generally runs from mid-January through March. ■



QUIZ

Name That River

1. A group of nineteenth-century landscape painters was inspired by this river in New York State:

A. Hudson River
B. Mohawk River

2. This mighty river carved through layers of rock to form the Grand Canyon:

A. Rio Grande
B. Colorado River

3. Victoria Falls, one of the largest waterfalls in the world, is part of this river:

A. Nile River
B. Zambezi River

4. The Henley Royal Regatta takes place on this river every July:

A. River Thames
B. Charles River

5. Nicknamed the “Big Muddy”, this river stretches 2,341 miles from Montana to just north of St. Louis:

A. Missouri River
B. Mississippi River

6. This river is the longest river (3,900 miles) in Asia and the third longest river in the world:

A. Ganges River
B. Yangtze River

7. Mount Vernon, George Washington's home, overlooks this river:

A. Potomac River
B. Roanoke River

8. The city of Budapest straddles this river, Europe’s second longest:

A. Rhine River
B. Danube River

9. This river winds through Paris before heading to Rouen and the English Channel:

A. Seine River
B. Loire River

10. Fed by glaciers in the Andes, this river is the longest in South America:

A. Parana River
B. Amazon River

ANSWERS: 1–A, 2–B, 3–B, 4–A, 5–A, 6–B, 7–A, 8–B, 9–A, 10–B

Thanks!

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