

# Update: Allen Leadership Team and Board of Directors

Allen Insurance and Financial, Maine's largest employee-owned independent insurance and financial services agency, is pleased to announce changes to the company's leadership team and an addition to the company's board of directors.

"Thanks to our team of now more than 90 employee owners, Allen continues to grow and thrive," said [J. Michael Pierce](#), company president. "This leadership team is well poised to embrace our goals for continued growth and exemplary client service in 2023 and beyond."

Effective Jan. 1, 2023, the Allen Leadership Team is comprised of Pierce, Dan Bookham, Peter Williams and Susan Howland.

[DAN BOOKHAM](#) has been named senior vice president for business development. Bookham joined the company in 2012 as a commercial lines producer and was appointed vice president for business development in 2016

[PETER WILLIAMS](#) has been named senior vice president for commercial lines. With Allen since 1990 and previously serving as a company vice president and commercial lines producer, Williams is known for his work with some of Maine and New England's largest and most complex insurance risks.

[SUSAN HOWLAND](#) has been named senior vice president for human resources and operations and effective Jan. 1 joins the company's board of directors. Howland joined the company in September 2022.

*Photos, from left: J. Michael Pierce, Dan Bookham, Peter Williams and Susan Howland.*

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# Diving into 2023: Retirement Legislation “SECURE 2.0” Passes House & Senate, President Biden to Sign into Law



Sarah Ruef-Lindquist,  
JD, CTFA

By [Sarah Ruef-Lindquist](#)  
For [Pen Bay Pilot](#)

There are not two, but three certain things in life: Death, taxes and change. This third element was brought home to us recently in the legislation that yet again would change the landscape for retirement planning, saving and spending in potentially radical ways.

A few years ago, the SECURE act increased the age at which one was required to draw out tax-deferred retirement savings from age 70 ½ to 72, causing a great deal of confusion initially, but

simplifying the matter overall, since people have a hard time with half-year calculations. This allowed folks to wait a little longer before drawing out a required minimum distribution (RMD) and perhaps more significantly, paying income taxes on the withdrawal. It also allowed a bit more time for funds to grow tax free.

The IRS penalty for failure to make such withdrawal has been 50% of the RMD amount not withdrawn, a big incentive for making full timely withdrawals.

Now we are faced with the RMD age increasing again in 2023 to 73 (known as the RBD, or Required Beginning Date), and yet again in 2033 to age 75. Here's how this would work for 2023: If you were born after December 31, 1950 (in other words, not yet 72 by 12/31/2022) then your RMD age is 73. So if you turn 72 in 2023, your RMD does not start until 2024.

Here's an example of that. John's birthdate is January 5, 1951. Under the "old" provision, he would have to begin his RMD in 2023, because he turns 72 on January 5, 2023. However, under SECURE 2.0 having not reached the age of 72 by 12/31/22, his RMD age would be 73. Technically, he does not have to take a distribution in 2024 when he turns 73 but could delay until April 1, 2025. However, since he would have another RMD amount in 2025, taking the 2024 amount in the same year as 2025 could result in higher tax rates applying, so he might be smart to go ahead and start in 2024 with his first minimum distribution.

So RMD age is now 73, and your first distribution is not due until April 1 of the year following your 73<sup>rd</sup> birthday, but it's often better to take it in the calendar year of your RBD so you don't have to take multiple distributions in the same tax year.

Also under SECURE 2.0 when we get to 2032, less than 10 years

from now, RMD age will increase to 75 if you haven't turned 74 by the end of 2032. So, in 2033, the age for RMD's is 75.

Delaying the Required Beginning Date (RBD) for RMD's – increasing the age to 73, and then 75 – offers retirement savers the opportunity to continue to allow their tax-deferred savings to grow free of tax until RMD's begin and income taxes are paid on those withdrawals.

The original SECURE Act also eliminated the age limitation on making contributions to IRA's in recognition of people working later and later in life, just as the increase in the RMD age recognizes a tendency for people to continue to earn income beyond more a traditional retirement age of 65 and have less reliance on retirement income until much later in life.

So we could say we are starting 2023 with positive news on the retirement savings and planning front. There's much more to the legislation known as SECURE 2.0 but we'll save that for another time.

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## **Powering AI0's Third Annual FILL THE STRAND Event**

On Monday, January 16, 2023 AI0 Food and Energy Assistance will host its third Fill The Strand food and funds drive to benefit AI0's Food Assistance, Energy Assistance, Weekend Meal, and Diaper Assistance Programs. This event challenges the community to fill every seat in the historic theater with bags of food and funds for AI0's programs. AI0 has raised nearly \$50,000 in the

first two Fill the Strand events. The goal for the third event is to raise \$25,000.

“Fill The Strand has become our signature event of the year, providing food and money at the most critical time” says AIO Executive Director Joe Ryan. “Visits to our food pantry market have more than doubled in the past year. Fill The Strand is essential for AIO to keep pace with our growth. The more food and money we raise, the more assistance we can provide.”

Coordinators encourage community organizations, businesses, and residents to do food and fund drives within their groups, workplaces, and neighborhoods to help with the drive. The food and funds collected will go directly to AIO’s programs that support Knox County families.

Monetary donations are welcome – and in fact your dollar goes further since AIO can purchase food through partners at a competitive price. Individuals can fill one theater seat with a bag of food or sponsor a bag at \$25. Your \$25 monetary donation can buy up to \$100 worth of food. Those interested in sponsoring a bag through a financial donation can make it online at [aiofoodpantry.org/strand](http://aiofoodpantry.org/strand).

Non-perishable food with a current expiration date is appreciated (no glass please). AIO would be grateful for donations of the most needed items including: ready rice pouches, macaroni and cheese and pasta; cereal and oatmeal; pop-top canned foods and Chef Boyardee meals; single serving lunch items; kid-friendly snacks; 100% juice boxes; shelf stable milk; snacks (granola bars, peanut butter crackers, 6-pack raisins). Whether a monetary gift or food donation – your support will help the people in our community who need it the most.

Food collection sites have been established at area businesses, including Allen Insurance & Financial offices (Rockland and

Camden), The Strand Theater, First National Bank (Rockland branches), Main Street Market (Rockland) and AIO Food and Energy Assistance (Rockland). On January 16th volunteers will be at the Strand Theatre between 9:00-2:00pm to receive food and funds donations.

Drive-up and drop-off service, powered by volunteers from Allen Insurance and Financial, will be available or come in the Strand Theatre to deliver your food and funds donations.

AIO is grateful to the generous support of its sponsors. Leadership level sponsors include First National Bank and First National Wealth Management, Fisher Engineering, Rockland Plaza, and The Rope Company. Partner level sponsors include Camden Real Estate, Gartley & Dorsky, Knights of Columbus Council 136, and Lyman Morse. Champion level sponsors include The Inn at Ocean's Edge, 250 Main, Journey's End, Allen Insurance and Financial. A list of all sponsors can be found at [aiofoodpantry.org/strand](http://aiofoodpantry.org/strand).

For more information about the event and how you can participate please contact event coordinator Leila Murphy, [murphy.leila@gmail.com](mailto:murphy.leila@gmail.com).

### **About AIO Food and Energy Assistance**

AIO has provided nutritious food and heating assistance to Knox County families. Funding and access to AIO's programs are more critical than ever as food insecurity in Knox County is projected to continue to increase. Knox County currently has the 4th highest food insecurity rate in the state. Child food insecurity is estimated at 28%. During the past year, AIO has supported 5,896 households, 15,672 individuals, and distributed 12,325 weekend meals packages for elementary school students throughout Knox County. AIO's Energy Assistance Program helps households with heating assistance or electrical disconnection prevention –

which is critical as winter begins. Last winter AIO distributed 691 energy assistance vouchers, totaling \$208,000 in support. AIO provides a direct path for donors for assist our community by putting your donation to work immediately.

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## Tax Changes You Need to Know About for 2022

At the end of a year dominated by inflation, interest rate hikes, market turbulence, and recession fears, we can all use a break. Thankfully, the Internal Revenue Service (IRS) has offered a few new tax guidelines to try to account for the various economic factors affecting many Americans in 2022. While some rules will help you reduce your taxable income or increase your refund, others are reverting to pre-pandemic levels. As you prepare your paperwork for the April 18, 2023 deadline, use this overview to be sure that you're aware of the latest updates. If you have questions about filing your taxes, contact your tax specialist.

**The standard deduction increased.** Here's the first piece of good news: the IRS raised the standard deduction this year in response to growing inflation. To determine whether this increase will affect your taxes, you first need to determine whether it would be beneficial for you to take the standard deduction or itemize deductions on your tax returns. If your itemized deduction total would be lower than the standard deduction (which you can take without itemizing), your best and easiest bet would be to take the standard deduction. For married couples filing jointly, the standard deduction was bumped up

\$800 to \$25,900. For single filers and married individuals filing separately, it is now \$12,950 (up \$400 from last year). There is currently no limitation on itemized deductions; that was eliminated by the Tax Cuts and Jobs Act. This unlimited itemized deduction rule will expire in 2025 unless a new law is passed.

**There are no longer above-the-line charitable deductions.** Last year, you could take a charitable donation deduction of up to \$300 for single donors or up to \$600 for married couples beyond the standard deduction. In 2022, if you take the standard deduction, that is no longer an option. If you itemize deductions, however (meaning your itemized deductions would be greater than the standard deduction), you can include charitable donations.

**The Child Tax Credit reverted to 2019 levels.** Temporary changes made to the Child Tax Credit last year as part of the American Rescue Plan have not been extended through 2022. This means the credit is \$2,000 per child (a \$1,000–\$1,600 drop from last year), the maximum age children can qualify for it is 16 (17-year-olds qualified last year), and the early monthly installments we saw last year aren't being offered. The credit is refundable up to \$1,400 but is no longer fully refundable. The **Earned Income Tax Credit** and the **Dependent Care Credit** also reverted to 2019 amounts.

**Eligibility for the Premium Tax Credit remains expanded.** One tax credit expansion from 2021 that remains in effect for 2022 is eligibility for the premium tax credit (PTC), which covers premiums for health insurance purchased through the Health Insurance Marketplace. The temporary change included in the American Rescue Plan Act of 2021 eliminated the rule that said if your household income is more than 400 percent above the poverty line, you could not qualify for a PTC. Without this



restriction, many more people can potentially qualify.

**There will be no additional stimulus payments.** Although many Americans were thrilled to see additions to their tax refunds in 2020 and 2021, there will be no stimulus payments for 2022. So, be sure that you don't count on that extra income when you budget for 2023. 2021 was also the last year to claim the **Recovery Rebate Credit** for a missed or lesser stimulus payment.

**The threshold that triggers a Form 1099-K decreased.** The IRS has always required reporting of all taxable income, but up until this year, Form 1099-K was required only if you had more than 200 goods and services transactions via a third-party payment network in a year and exceeded \$20,000 in transactions. This year, the threshold is much lower at only \$600, with no minimum number of transactions. This means more small businesses will receive this form from third-party payment networks than in the past. If it is required, you should receive it by January 31, 2023.

This is just a brief overview of some of the IRS changes for the 2022 tax year. A tax professional can help you determine which rules apply to your specific finances and how you can maximize the benefits available to you. Please feel free to reach out to our office for additional guidance.

*This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a tax preparer, professional tax advisor, or lawyer.*

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# Loss Control Visits: Taking a Proactive and Collaborative Approach



By [Dan Bookham](#) for December 2022 [WorkBoat](#) Magazine

Hang around vessels, shipyards, terminals and insurance long enough and you are bound to become familiar with the seemingly strange ritual of the loss control visit. The frequency of the visits depends on the individual insurance company but invariably at some point risk engineers will show up to visit clad in high viz and hard hat, usually clutching a camera (and sometimes a clipboard) to inspect your boat or facility for potential hazards and issues. Sometimes they bring donuts. They also always issue a report and list “recommendations” (read requirements, lest you lose your insurance), which, unlike the Krispy Kremes, can often feel hard to digest.

It doesn't have to be that way, however. By taking a proactive

approach to risk management and drawing on the resources of your insurance company (resources your premium payments fund), those loss control visits can feel less like a visit by a drill instructor looking for an unmade bed and more like a collaboration with safety specialists who can both save you money and ensure your people head home each day or after each trip with the same number of digits and limbs they had when they came in.

In preparing for a loss control visit, I highly recommend working with your insurance agent to undertake a preliminary walk-through to see if you both can spot any easy fixes or potential trouble spots (a frayed cord on a tool for example, or sloppy housekeeping in a workshop). Having your own punch list of planned corrections and improvements will minimize any surprises and make it easier to budget for the fixes. When the loss control team visits, rather than just relying on the written report, be sure to ask them to flag issues in a post walk-through meeting so you can discuss them while memories are fresh.

When the report comes in, be prepared to respond with a timeline to address the elements they raise. I've often found that draconian demands to make immediate fixes soften if you demonstrate a willingness to work on trouble spots at a reasonable (and often more affordable) pace. Proactively use the tools insurers provide, both online and in person, to make the most of your premium dollars and improve the safety and risk profile of your business.

Not only does a proactive and collaborative approach to loss control make the workday safer for your people, your customers and their property, your passengers, and your own stuff, it also can result in lower lifetime insurance costs as fewer claims and a proactive approach to safety and risk make you an attractive

customer for insurers to woo.

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# Home Heating Safety – Fall 2022

### Electric Space Heaters

- Only use space heaters that have UL or FM tested and approved listed on their labels.
- Position at least 3-feet away from anything combustible such as curtains, furniture, bedding, paper, and decorations during the holiday season. Never place clothing, hats, or mittens on space heaters to dry.
- Always turn off space heaters when leaving the room or going to sleep.
- Ensure your space heater has an automatic safety shut-off switch that turns it off in the event the heater tips over.
- Avoid using extension cords or power strips with your space heater, and do not plug multiple space heaters into the same outlet. Always unplug your space heater when not in use.



### Wood/Pellet Stoves & Fireplaces

- Should be serviced annually by a qualified technician. Chimneys, flues, and exhaust pipes should be cleaned annually by a certified professional.
- Ensure wood stoves are on their own separate flue from any other furnace or heat source.
- Allow ashes to cool completely and use a non-combustible metal container to dispose of ashes.
- Do not vacuum ashes with a household vacuum.
- Only burn dried and seasoned wood in your fireplace/wood stove. Refer to the manufacturer's instructions and only burn the recommended pellets in your pellet stove.
- During the holiday season, use caution and position all decorations at least 3-feet away from your stove/fireplace.



As consumers, we're all experiencing the impacts of the current economic inflation, rising energy costs included. Over the past year, average heating oil prices have increased 50%; natural gas by 18%; and propane by 42%; to some of the highest prices in decades.

Heading into the winter heating season, higher heating costs can put a strain on household budgets and make alternative heating sources an attractive solution.

Keep your home warm and your family safe this winter by reviewing these secondary heat source safety recommendations and taking preventative steps to avoid an accident. [View this PDF](#) from our colleagues at [MMG Insurance.](#)

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# Making Lemonade From Lemons: Long-Term Capital Loss Stock Creates Another Type of Tax- Efficient Charitable Gifting Opportunity



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By [Sarah Ruef-Lindquist](#)  
For [Pen Bay Pilot](#)

For those of us working in the area of wealth management, 2022 will long be remembered as the year the stock market rolled gains back – way back – to pre pandemic levels. 2021 ended on a high note...the indices at or near all-time highs, after a climb from a downtick in early 2020 as the pandemic set in and the economy shut down. As 2021 came to a close, charitable gifts of

long-term capital gain stock were the norm, and plentiful.

Then the markets began a slide as January slipped into February and valuations, including bond values as interest rates were raised by the Fed, walloping investors who have long relied upon a balanced portfolio to weather the storms of market volatility. As 2022 comes to a close, investors are seeing some signs of market value recovery, but it's feeling a like it could be a very slow, volatile, long climb ahead.

Donors may feel that what would have been a great, tax-efficient opportunity to use long-term appreciated stock has gone by...and it may have, for a while. But let's not forget the other side of that charitable gifting sword: using long-term capital losses to fund charitable gifts.

How could that work? A sale of stock that has been held more than 1 year that has declined in value below its basis or purchase price can generate a loss, and the proceeds of the sale can be used for a charitable gift.

Let's say you purchased or inherited stock with a basis of \$5,000 and held it for more than a year. The current value is \$1,000. If you sell it, your loss is \$4,000, which can be used to offset gains now or in future years as a carry-forward. What gains? Many mutual funds declare gains, even in years when the stock market has had an overall decline, so many investors will actually have realized gains within their portfolios, even if they haven't sold anything. Losses can be used to offset gains.

You can use the \$1,000 proceeds to make a gift of stock to charity and if you itemize, you can take an itemized deduction for that \$1,000. That's a lot of tax savings, now and in future years.

Consult with your tax or financial advisor to learn more about

this opportunity and how it could apply to your situation before Dec. 31, 2022.

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# When it Comes to Claim Reporting, Don't Hesitate



Chris  
Richmond,  
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By Chris Richmond  
For November 2022 [WorkBoat Magazine](#).

You have heard it before but it bears repeating: If something occurs that you think might be a claim let your agent know sooner rather than later. If a passenger or crew member is injured, report it, even if they say they are fine and do not need medical attention at the time.

The time to record information pertaining to any sort of occurrence is immediately after it happens. This is when

everything is still fresh in your mind and you can accurately record the events that happened. Who was injured? Where did it happen? What were they doing at the time? It is much easier to obtain this information at the time of the time of the event rather than try to track it down six months later when you receive a letter from an attorney. By letting your agent know what happened, they in turn can report the claim to the insurance company. There is no harm in sending something in for reporting purposes only. Adjusters would much rather have this information sooner than later – even if the eventual medical bill is less than your deductible.

We had a passenger vessel operator contact us recently to report a claim. A passenger had fallen while disembarking from a tender while on a shore trip. The captain had offered medical assistance off the boat at a local clinic but the passenger had refused, stating that they were fine and wanted to continue on with the trip. The cruise continued and the passenger enjoyed the remainder of the trip with no complaint. Fourteen months later, the owner of the vessel receives a notice from an attorney looking for payment of medical bills as well as for pain and suffering.

Another client had a similar situation but with a crew member. The individual injured her back while on board. The insured reported the occurrence and the crew member received medical treatment for her injury. Eighteen months later the insured was issued a notice of summons from the crew member's attorney looking for pain and suffering. The adjustor was able to reopen the claim and review the file with all the pertinent notes from the time of the claim.

You should never feel that you can't report something to your insurance agent. Unsafe areas of operations can be determined on board and corrected. This can help reduce injuries and



ultimately save you money in the long run. By including your agent in the conversation you can help keep your passengers safer and your business more profitable.

# Benefits Buzz Newsletter – November 2022



This month's Benefits Buzz discusses a new IRS rule that changes the premium tax credit's affordability rules for family members and new IRS guidance that increases the health FSA limit for 2023 plan years.

[Information is on this PDF.](#)

## Increased Contribution Limits

# to Retirement Plans for 2023



By [Sarah Ruef-Lindquist](#)

For [Pen Bay Pilot](#)

In late October, the IRS announced new limits increasing the amount that taxpayers may contribute to their retirement plans each year beginning in 2023: the amount individuals will be able to contribute to their 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan in 2023 increased to \$22,500, up from \$20,500 for 2022.

The catch-up contribution limit for employees aged 50 and over who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increased to \$7,500, up from \$6,500. Therefore, participants in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan who are 50 and older can contribute up to \$30,000, starting in 2023.

The amount individuals can contribute to their SIMPLE retirement accounts is increased to \$15,500 from \$14,000. The catch-up contribution limit for employees aged 50 and over who participate in SIMPLE plans is increased to \$3,500, up from \$3,000. This translates into a contribution limit for those aged 50 and older of \$19,000.

Similarly, the \$6,000 contribution limit for IRAs is increasing to \$6,500. The catch-up amount remains the same at \$1,000.

These increased amounts expand the ability of workers to put into their tax-deferred qualified plans and IRAs amounts that are able to grow and earn income tax-free, until withdrawn, when income tax is usually due, unless the account is a ROTH, in which case it is not taxed upon withdrawal.

The income ranges for determining eligibility to make deductible contributions to traditional Individual Retirement Arrangements (IRAs), Roth IRAs, and to claim the Saver's Credit all increased for 2023. FMI, visit <https://www.irs.gov/newsroom/401k-limit-increases-to-22500-for-2023-ira-limit-rises-to-6500> and consult with your financial and tax advisors to the impact of all of these provisions and changes on your unique financial plans.