

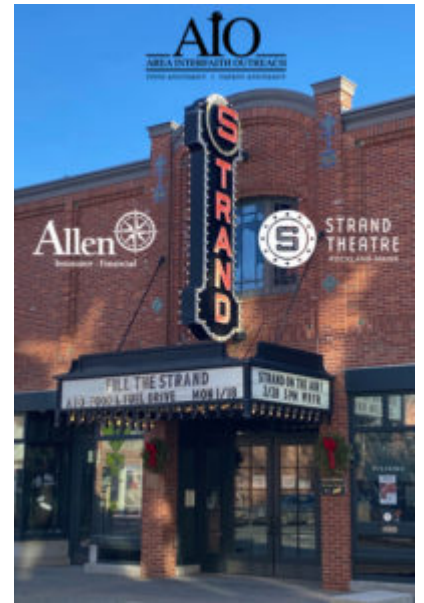
# A Day of Service in the Community: Doing Things That Need to be Done

Allen Insurance and Financial encouraged employees to use a paid community service day on Jan. 18. Amy Bowen and Sally Miles, members of the business insurance team in our Belfast office, put in some real elbow grease, volunteering for [Waldo Community Action Partners](#) in Belfast, assembling 20 conference room chairs and deep cleaning two of the organization's transport vans.

Says Sally: "It was a great day – we did things that needed to be done!"

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## MLK Day Food and Funds Drive an Incredible Demonstration of Community Spirit!



How do you find the words to describe an event where teamwork, generosity and community all come together to exceed a goal three times over? That's what happened on Monday, Jan. 18, when a group of Allen employee-owners from our Camden and Rockland offices joined AIO Food and Energy Assistance's team of volunteers at The Strand Theatre in Rockland, which hosted the event. Together we assisted in collecting food and funds in support of AIO's Food Assistance, Energy Assistance and Weekend Meal programs.

In all, 2,219 pounds of food and \$24,502 were collected. AIO's original goal of filling the seats in the Strand was exceeded by three times, with a total of 1,128 seats filled – each with a bag of food. (And the original funds goal of \$10,000 was shattered, too!)

It was a day of community, connection and joy and a great way to celebrate Martin Luther King Day in Rockland.

We're truly grateful for

- All who donated food and funds.
- Our fellow volunteers from AIO and The Strand.

- AIO for stellar event organization and for the opportunity to participate in this special event.
  - The Strand for a warm, welcoming venue.
  - Main Street Markets in Rockland, for being a food collection site and rolling a huge cart of donations down Main Street from the market to the Strand.
  - Photographers Tara Rice, Leila Murphy and Dan Bookham for these photos we can share with you.
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## Supporting a Waldo County YMCA Food Drive

When the call came in from the [Waldo County YMCA](#) in December 2020 about a food drive to help fill food pantries at schools in the county, our six-member Belfast office team leapt into action and as of Friday, Jan. 15, together had raised a total of \$825 in cash donations, which includes donations from the entire office as well as additional contributions from a number of fellow employee-owners and a partial company match in the form of Hannaford gift cards.

Shown here are, from left, are Libby Davis, Amy Bowen and Joella Rossignol, with just some of the groceries Amy was able to buy with those funds.

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# Neighbors Helping Neighbors: Filling The Strand Theatre with Food and Funds

AI0 Food and Energy Assistance is hosting its first FILL THE STRAND food and funds drive to benefit AI0's Food Assistance, Energy Assistance and Weekend Meal Programs. In partnership with the Strand Theatre and Allen Insurance and Financial, this event challenges the community to fill every seat in the historic theater with bags of food and funds for AI0's programs. AI0 was inspired by GatherNH, who has held a successful Fill the Hall event in Portsmouth, NH at the Music Hall and who provided guidance to AI0.

Coordinators would like to encourage community organizations, businesses, and residents to do food and fund drives within their groups, workplaces, and neighborhoods to help with the drive. As of Friday, Jan. 15, \$12,000 has been raised in support of the event; food items will be sorted and weighed on Monday, Jan. 18. Donations will be accepted at The Strand in Rockland that day, with all COVID protocols followed.

Non-perishable food with a current expiration date is appreciated (no glass please). Most needed items include:

- ready rice pouches
- macaroni and cheese and pasta
- cereal & oatmeal
- pop-top canned foods and Chef Boyardee meals
- single serving lunch items
- 100% juice boxes, shelf stable milk, powdered milk
- kid-friendly 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.

Due to COVID-19 the majority of the food and funds collection will take place in the weeks leading up to Jan. 18. Food collection sites have been established at area businesses, including:

- Allen Insurance & Financial offices (Rockland and Camden)
- Main Street Markets (Rockland)
- AIO Food and Energy Assistance (Rockland)

On Jan. 18 volunteers will be at the Strand Theatre between 9:00-2:00pm to receive food and funds donations—curbside—to limit the number of people inside the Strand Theatre itself.

Monetary donations are welcome – and in fact your dollar goes further since AIO can purchase food through partners at a competitive price. Individuals can sponsor a bag at \$25, which will fill one seat in the theater. Those interested in sponsoring a bag through a financial donation [can make it online.](#)

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## Health Insurance Terms You Need to Know

Benefit plans are sometimes confusing and employees might be struggling to understand what an employer offers them. This Know Your Benefits flyer lists common terms used in the health insurance industry and explains each in detail. [Click for a PDF](#) to download and share with your employees today!

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# Insurance as a Financial Management Strategy: Things to Think About for the New Year

By [Cale Pickford](#)

Originally submitted to [Maine Realtor Magazine](#) | Winter 2021

The U.S. is unique in the developed world in that we rely heavily on employers to provide many of the benefits and social safety nets which would otherwise be provided to all citizens on a national basis. The merits of the U.S. system are frequently debated but one clear issue with this system is that independent contractors have to research and purchase their own insurance policies which would otherwise be provided by an employer. Because of the high cost and difficulty in understanding the products and options available to protect one's assets and income from risk, many real estate agents, as independent contractors, are at risk – a serious accident or event can have a major impact on their financial well being.

A sound insurance strategy can help protect a family from the financial consequences of loss events. Use the following as an outline for the various insurance products real estate agents should review.

**Life Insurance:** Your investment advisor may tell you that life insurance is a critical component of a sound financial plan. Anyone who has dependents or a spouse – loved ones who would suffer financially should you die – should seriously consider life insurance because it will allow surviving family members to

meet obligations that would have otherwise been funded by your (now missing) income.



Cale Pickford

**Disability Income Insurance:** In order to maintain your standard of living, it is important to protect your ability to earn an income. Individual disability income insurance helps preserve a portion of your income and provides financial protection if you become disabled for a period of time.

**Long-Term Care Insurance:** You're not too young to think about this now. A long-term care insurance policy reimburses a preselected daily amount to cover the cost of skilled nursing care, speech, physical and rehabilitation therapy and services used to assist them with activities of daily living

**Health Insurance:** Studies suggest that as many as 12% of Americans are without health insurance. Even if you have health insurance or are eligible for Medicare, you should regularly review your plan to make sure that it is the best fit for you and your family's needs. If you're on Medicare, talk with an insurance specialist about the best Medicare Supplement Plan for you, to close gaps and reduce out-of-pocket costs.

**Homeowners Insurance:** Most people who own homes have homeowners insurance. However, a very high percentage of people are

underinsured and lack the coverage they will need to make them whole following a loss. Review your policy with an agent, keeping in mind the increasing costs of both construction and to defend and settle bodily injury lawsuits. Also, coverage is very limited for certain types of personal property such as jewelry, firearms, fine arts and so forth, so I recommend insuring items of unique value on a separate valuable articles policy.

**Automobile Insurance:** Automobile coverage is mandatory in Maine, but just because you have a policy does not mean it will react in the way you expect or need it to. New cars depreciate quickly; make sure you consider gap coverage if you have a loan, or better yet, new car replacement coverage. Learn what coverage you have for towing, roadside assistance, rental cars and glass repair and consider the cost and benefit of having these on your policy. Most importantly, make certain that you have high liability limits and that your vehicle is rated for work use as opposed to pleasure or commuting. It does not matter what coverage you have if a claim is denied for being improperly rated.

**An Umbrella Policy:** This is perhaps the best value in the insurance industry. Umbrella policies provide protection, in increments of \$1 million, for bodily injury and property damage claims which exhaust the limits of your auto, home or watercraft policies. Properly structured, an umbrella policy can greatly reduce the likelihood that a personal lawsuit will devastate your net worth.

Buying a product you hope you never need to use is never a fun way to spend money. Insurance is not the only way to reduce risk: Making smart decisions and being careful go a long way. Still, a properly constructed insurance program is a critical component of a sound financial strategy. Planning for the worst, and hoping for the best, is a good approach in an uncertain



world.

## Tips to save on your homeowner's insurance policy

Rightfully so, we focus a lot on ways to make sure your homeowners policy offers proper protection– but cost matters too! Here are some ways to make sure you are getting the best deal in the marketplace:

- **Review deductibles:** Most insurers structure their rates to reward deductibles of \$1,000 or higher. If you have a \$500 deductible, you're likely leaving savings on the table.
- **Account credits:** Insurance companies are looking for "spread of risk" – that is, insuring multiple policies for the same client. If you have separate insurers for your home and auto look to combine for additional discounts.
- **Loss Control Devices:** Insurance companies will reward customers who install systems that reduce the likelihood of claims. Central station fire, burglar and low temperature alarms will reduce your premium. Insurers may also offer discounts for automatic generators and automatic water shut-off valves.
- **Shopping Around:** On a national level, insurance companies have been hit with unprecedented catastrophic losses but Maine has thankfully been spared the worst of these natural disasters. If your renewal premiums have increased significantly, your insurer may be penalizing you for poor performance in other regions. Look for a regional insurer or a national company who has rates in Maine that are more in-line with the risk.
- **Coverage Inflation:** Insurers increase the amount of coverage on your policy each year. The intent is to keep pace with the increased cost of construction but often

those increases compound and the coverage limit gets ahead of the replacement cost of your home. Review the limits of coverage to make sure you are not under-insured or over-insured. My top tip is to find a policy that will offer extended replacement cost of either 125% or 150% of the policy limit, or even unlimited or guaranteed replacement cost coverage. This endorsement will prevent you from being underinsured at the time of a loss.

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## Everyone Who Uses a Computer Needs Cyber Coverage



By Chris Richmond

Originally Submitted to [WorkBoat Magazine](#)

A recent policy review with a client found an interesting update. The client, who distributes seafood, had reduced gross revenues. This was not surprising, given the downturn in the economy. What was surprising was a sharp increase in retail sales. Further discussion revealed that they had a growing online store with direct sales to consumers. They were in need of a cyber policy.

Whether or not you sell goods online, you really should consider a cyber policy. On daily basis, headlines in publications for every industry outline hacks, phishing schemes and other cyber crimes.

There are two important types of cyber liability to know about: First party and third party.

A first party cyber liability occurs when your own data is stolen. This can include your own employees' personal information or information about your customers. A cyber liability policy will provide credit monitoring services to assist the affected individuals which could help minimize the risk of identity theft. Included in the category of first party cyber liability are:

- Funds Transfer Fraud. Funds Transfer Fraud is an intentional, unauthorized instruction transmitted via email to a financial institution to transfer funds. If your computer system is compromised, a hacker can have access to your banking information and initiate fraudulent electronic wire transfers.
- Lost Business Income. Lost business income due to cyber theft, (a hack or data breach), is not covered unless cyber coverage is in place. Your regular business insurance policy covers you for things like fire, theft and wind, but not anything cyber-related.

Third party liability coverage can provide protection for damage caused by your business to third parties due to a hack. This could be confidential client information that you store in your system. Coverage included in this category are:

- Breach of Privacy: A client's personally identifiable information has been accessed by an unauthorized party.

- Misuse of Personal Data: Personal data is stolen or misused and they suffer financial damages.
  - Transmission of Malicious Content: Failure to stop the transmission of virus, malware or other malicious content.
- Many liability policies come with limited cyber coverage but also they leave gaps in coverage. A stand alone cyber policy can cover these gaps and provide the insurance that a business needs today.
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## **Stimulus Bill Extends FFCRA Tax Credits but Not Leave Mandate**

An appropriations bill, which was signed into law on Dec. 27, 2020, does not extend the employee leave mandates created by the Families First Coronavirus Response Act, which expire on Dec. 31, 2020. However, the bill extends tax credits for employers who offer the leave through March 31, 2021.

While employers are no longer required to offer the extensive medical leave benefits for COVID-related absences defined under the original FFCRA, the stimulus will provide credits for employers if they decide to extend this offer to them through March 31, 2021. You can read the full bulletin here: [Stimulus Bill Extends FFCRA Tax Credits but Not Leave Mandate](#)

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# Affordable Care Act Compliance Notes – Jan. 6, 2021

The ACA requires employers to report the cost of group health plan coverage on employees' Forms W-2. This ACA Overview explains the W-2 reporting requirement, including its application to small and large employers. [Affordable Care Act Compliance Notes – 6 Jan 2021](#)

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## Last-Minute Charitable Giving Opportunities

December is the “giving season,” when many people consider using their wealth to help others. Because of the urgent need for generosity presented by the COVID-19 pandemic, you may be looking for ways to stretch your charitable donations. As always, the use of tax-efficient giving strategies can help them go further.

This year, it's also important to be aware of the tax incentives for philanthropy included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The summary below explains how you can maximize these tax-efficient giving incentives during the final weeks of 2020. Two common vehicles for charitable planning—now and in the future—are also covered. **CARES Act Tax Incentives**

These incentives, which are set to expire on December 31, 2020,

apply only to cash gifts to public charities made by individuals or corporations. Regarding your 2020 tax return, here's what you need to know:

**Are you taking the standard deduction?** If you're not itemizing, you can take an "above-the-line" deduction of up to \$300 for cash gifts to charities. The amount you claim will reduce your adjusted gross income (AGI). What about married couples filing jointly? As of this writing, your deduction also seems to be limited to \$300, according to IRS draft instructions.

**Are you itemizing deductions?** Typically, annual charitable deductions are capped at a percentage of a taxpayer's AGI. For individuals, this cap has been set at 60 percent since 2017. Under the CARES Act, however, you may deduct up to 100 percent of your AGI for gifts of cash to a public charity in 2020. This rule excludes gifts to a donor-advised fund (DAF). For corporations, the AGI cap for cash gifts, previously set at 10 percent, has been raised to 25 percent for the year.

- For both individuals and corporations, any unused deduction under this cap may be carried forward for five years, which can lead to the planning opportunities discussed below. The cap for gifts of appreciated assets has not changed.

## **Planning Opportunities**

If you wish to fund large charitable gifts this year, the 100 percent AGI cap offers huge advantages. Here are several ways this incentive could help you manage high-income events:

- **Stock options and lump-sum payouts.** If you've exercised nonqualified stock options from your employer out of concern for market volatility or received a large lump-sum severance package as a result of a layoff, charitable

gifts can help offset the tax burden.

- **Roth conversions.** If you'd like to make a large Roth conversion this year, you could also make a large charitable gift to offset the tax liability of the conversion. This strategy is especially beneficial because traditional IRAs have become a less attractive way to leave money to heirs since the 2019 passage of the SECURE Act, which requires most IRA beneficiaries to empty their inherited IRA within 10 years.
- **Business sale.** Let's say you have an expected AGI of \$1 million this year due to a business sale. You could make a charitable contribution that would completely offset the year's income.
- **Combining gifts.** Although the CARES Act incentive applies only to cash gifts, the IRS does permit taxpayers to combine different types of gifts. For instance, you could maximize your 30 percent AGI cap for gifts of appreciated assets. The 100 percent AGI cap would be reduced by that amount, but you would still be able to deduct another 70 percent of your AGI by making cash gifts.

### **Qualified Charitable Distributions (QCDs)**

A QCD is a direct transfer of funds from an IRA, payable to a qualified charity. Although the CARES Act allows IRA owners to skip required minimum distributions (RMDs) in 2020, the rules for QCDs have not changed. If you own an IRA (including an inherited IRA) and are 70½ or older, you can make tax-free distributions of up to \$100,000 payable to public charities (excluding DAFs).

Here are some ways a QCD could help control your income:

- If you decide to take an RMD this year (or must do so in the future), a QCD could be used to satisfy the distribution. This strategy would remove the tax burden

associated with taking the distribution as ordinary income.

- A QCD is not reportable as part of your AGI, which limits its impact on the taxation of social security benefits.
- In future years, a QCD could also limit the impact of income on Medicare premiums, which are based on your AGI from two years prior.

## **Charitable Remainder Trusts (CRTs)**

A CRT can help you (or your beneficiary) spread the tax liability on the sale of appreciated assets over many years. This may result in paying a lower overall effective tax rate. Let's look at how this works:

- A CRT pays an income stream to a noncharitable beneficiary (or beneficiaries) for a term of years or for life. At the end of the income term, the remaining assets in the trust are distributed to a charity.
- When you move assets into a CRT, you receive a charitable contribution deduction based on the present value of the remainder interest set to pass to the charity at the end of the income distribution term.
- If you contribute appreciated assets (e.g., investment assets, closely held business interests, real estate, or collectibles), those assets can be sold without creating a tax liability to the trust itself.

As you can see, the primary benefit of a CRT is that the trust is exempt from taxes. But that does not mean taxes are entirely avoided for beneficiaries. In fact, the distributions to the income beneficiaries are taxable based on four buckets of income: ordinary income, capital gains, tax-free income, and return of principal. Each year, when the CRT makes its income distribution, it first pulls the funds available from accumulated ordinary income, such as interest and dividends,



before distributing other types of income. The beneficiaries would be subject to the taxation rules in place for these types of income.

### **Need Additional Information?**

If you're interested in exploring these options, please contact me. We'll talk through how these giving strategies can help you meet today's urgent need for generosity—and further your visions for doing good.

*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.*