Sarah Ruef-Lindquist is President at Maine Planned Giving Council

Sarah Ruef-Lindquist, JD, CTFA

Sarah Ruef-Lindquist, JD, CTFA will be serving as president of the Maine Planned Giving Council in 2020.

A financial advisor and wealth manager at Allen Financial in Camden, Ruef-Lindquist has been a council board member for most of the past 20 years, and is a regular presenter at the council’s annual fall conference.

Ruef-Lindquist has had a role in planned giving as an attorney, former trust officer and philanthropic advisor and consultant to non-profits across New England. She previously served as vice president for Southern Maine of the Maine Community Foundation, Senior Administrative Trust Officer at Union Trust Company, Senior Consultant and founder of Planning for Good and CEO of the Maine Women's Fund.

A trustee of Unity College and director of Rockland Savings Bank, Ruef-Lindquist has presented for the Maine State Bar Association, Association of Fundraising Professionals and Planned Giving Group of New England. She is licensed to practice law in Maine and New Hampshire, and resides in Camden.

Ruef-Lindquist succeeds David Warren, planned giving and major gifts officer at Maine Coast Heritage Trust, as MPGC president. She previously served as president in 2006 and 2007.

"The unprecedented intergenerational transfer of wealth taking place at this time presents tremendous opportunities for organizations to have meaningful conversations with their donors about where their estate and financial planning intersects with their philanthropic passions. Our goal is to see to it that those conversations can take place." said Ruef-Lindquist.

Founded in 1995, the Maine Planned Giving Council (MPGC) is a statewide, independent, non-profit organization created to encourage charitable giving in Maine through planned giving. The MPGC defines planned giving as any deferred or current charitable gift where the donor's objectives and circumstances are fully considered in order to provide maximum benefit to both the donor and the charity.

Kellie Doolen Joins Allen

Insurance and Financial

Kellie Doolen

Allen Insurance and Financial is pleased to announce that Kellie Doolen of Lincolnville has joined the company as a scanning associate and receptionist.

A native of Houlton, Doolen is a graduate of the University of Maine and brings 15+ years of retail management and customer service experience to Allen Insurance and Financial. She is based in the company's Camden office.

Sherree L. Craig Now Licensed as an Insurance Consultant in Maine

Sherree L. Craig, CEBS

Sherree L. Craig, CEBS, Senior Account Executive in the Benefits Division at Allen Insurance and Financial, is now a licensed insurance consultant in Maine.

“Sherree’s efforts demonstrate her deep commitment to continuing professional development,” said Mike Pierce, company president. “This commitment is important to all of our insurance divisions but it is especially so in the always-changing field of employee benefits.”

Craig holds Fellowship standing in the International Society of Certified Employee Benefit Specialists through the Wharton School of Business, and an advanced certification in self-funding from the National Association of Health Underwriters.

The SECURE Act, Part II

By Sarah Ruef-Lindquist, JD, CTFA

Sarah Ruef-Lindquist, JD, CTFA

Earlier this month, we shared how with January 1, 2020 came a host of changes in how retirement planning will be done in light of the new law affecting retirement plans known as the SECURE Act (Setting Every Community Up for Retirement Enhancement Act of 2019) signed into law in late 2019.

There are a few more aspects to this law that impact how people save for and draw from their retirement plans.

Good News for charities: 70 ½ is still the age to be eligible to make Qualified Charitable Distributions, even though Required Minimum Distribution age is now 72.

One of the most significant changes is that the age when someone must begin taking funds out of a 401(k) or IRA has moved from 70 ½ to 72; For many years, people who turned 70 ½ have to begin withdrawing distributions (Required Minimum Distributions, or “RMD’s”0 (and paying related income taxes) by April 1 of the following year or suffer a hefty penalty of 50% of the amount of the distribution; Now, the age is 72.

70 ½ is still the age at which one becomes eligible to make direct charitable gifts to charity (up to $100,000 total charitable gifts each year) and not have the gift amount included in taxable income. That’s great news for charity and for non-itemizers who are able to take advantage of this tax-

efficient means of charitable giving.

Saving for retirement is ageless: No age limit on contributing to IRA

Anyone with earned income for the year may now make contributions to an IRA. Previous to the SECURE Act, age 70 ½ was the cut off and anyone older than that could not make contributions. Now even those beyond 70 ½ can continue to contribute to their IRA as long as they have earned income equal to or greater than the amount they want to contribute, up to $7,000 for 2020.

We will be hearing more about this new provision of the law affecting retirement plans as we enter 2020 and the new decade. Be sure to check with your financial advisor about how any of this may affect your particular situation.

When a Collision is not a Collision

By Chris Richmond
Originally submitted to WorkBoat Magazine / January2021

A client’s vessel was tied to the dock, unloading its catch.

Another fishing vessel struck his boat while backing out. The offending captain said not to worry, that he had excellent coverage and passed along his insurance agent's contact information. After a couple of weeks of dealing with the other company's adjustor, my client was informed that there was no coverage for this claim. The owner who had struck him had hull coverage, but no liability.

If you have a lender involved with your vessel, most likely they will require proof of hull coverage to protect their interests. What they do not ask for is proof of protection and indemnity (P&I) coverage. These are two separate policies that provide different coverages for your commercial vessel. P&I provides coverage for any crew and passengers, as well as any damage to something you hit, whether it be another vessel or a pier. Your hull insurance provides coverage for damage to your vessel, wreck removal and collision liability up to the limits of your hull coverage.

But when is a collision not a collision? You might think that in the case mentioned above that a collision occurred – one vessel ran into another. But because one boat was secured to a dock and not moving, the event became an allision. In the insurance world, when one vessel strikes another moving vessel, this is a collision. When a vessel strikes a fixed or non-moving object, this is an allision.

In our client's claim, he was secured to the dock. It was an allision, which would normally be covered under the P&I policy. As the other vessel did not have P&I, the claim was denied. Fortunately, in this case our client's insurance company stepped in and covered the claim. The insurance company then has the option to go after the vessel owner to recover payments for the loss.

By opting to not carry P&I, a vessel owner opens himself up to a wide range of potential claims that would not be paid. Each part of a commercial vessel's policy is specifically worded to cover certain parts of a vessel, as well as its operation. Don't make the mistake of thinking some coverage is better than none.

The SECURE Act

By Sarah Ruef-Lindquist, JD, CTFA

Sarah Ruef-Lindquist, JD, CTFA

Happy New Year! With January 1, 2020 comes a host of changes in how retirement planning will be done in light of the new law affecting retirement plans known as the SECURE Act (Setting Every Community Up for Retirement Enhancement Act of 2019) signed into law in late 2019.

There are many aspects to this law that impact how people save for and draw from their retirement plans. Here are just a few.

70 ½ become 72

One of the most significant changes is that the age when someone must begin taking funds out of a 401(k) or IRA has moved from 70 ½ to 72; For many years, people who turned 70 ½ have to begin withdrawing distributions (Required Minimum Distributions, or "RMDs (and paying related income taxes) by April 1 of the following year or suffer a hefty penalty of 50% of the amount of the distribution; Now, the age is 72.

But be careful: The law doesn't take effect until January 1, 2020, so those who turned 70.5 years in 2019 still need to withdraw their required minimum distributions as required under the old law. People who are expected to turn 70.5 years old in 2020 will not be required to withdraw RMDs until they are 72.

The end of the non-spousal inherited "Stretch" IRA

Until the SECURE Act, those who inherited IRA accounts from people to whom they were not married were able to "stretch" the payments out of the IRA over their own life expectancy. This allowed the funds to grow tax free longer, and delay the payment of income tax resulting from those distributions.

While spouses who inherit their deceased spouse's IRA can stretch the distributions over their own life expectancy, the SECURE Act requires most other beneficiaries withdraw all assets of an inherited account within 10 years. There are no annual or other periodic required minimum distributions within those 10 years, but the entire balance must be distributed within 10 years of the death.

Oh, baby!

A new provision of the SECURE Act will allow penalty-free withdrawals of up to $5,000 from 401(k) accounts to defray the costs of having or adopting a child. This provision will assist mostly younger retirement savers who have a longer runway until they actually will be tapping into their 401(k)’s for retirement income.

We will be hearing more about this new provision of the law affecting retirement plans as we enter 2020 and the new decade. Be sure to check with your financial advisor about how any of this may affect your particular situation.

Which Charitable Giving Strategy is the Best Fit for You?

For many, the holidays are a time for giving back—whether by donating to a favorite charity or helping out a family member. Before you make a donation or gift, however, it’s important to choose the right strategy, paying close attention to potential tax and legal implications.

Charitable Giving

If there’s a charitable organization you’d like to donate to, be sure to take the time to consider the charitable giving vehicle you’ll use to make your gift. Let’s look briefly at some of the options.

Outright gifts. Outright gifts of cash or property provide charities with immediate resources. Be sure to keep your receipts or bank records to validate any income tax deductions you wish to claim. Keep in mind that you may need a professional appraisal to qualify for a tax deduction on certain noncash contributions.

Donor-advised funds. A donor-advised fund is a charitable giving vehicle managed by a public charity for the purpose of distributing funds to other charities. When you contribute to a donor-advised fund, you can advise the charity on the grants it makes, as well as take advantage of possible tax deductions. Be aware, however, that there may be a minimum donation amount, and administrative fees may cut into the funds available for grants.

Charitable remainder trusts. With this type of trust, the donor receives income from the trust for his or her lifetime, the lifetime of another person, or a period of up to 20 years. At the end of the specified term, the remaining trust assets are distributed to a charitable beneficiary. The greatest benefit of a charitable remainder trust is that you can take advantage of immediate tax benefits while continuing to utilize the assets, as you may deduct the present value of the charitable remainder interest. On the downside, charitable trusts tend to be complex to set up and usually require legal and administrative support.

Charitable gift annuities. A charitable gift annuity is a split-interest gift made directly to a charity that provides you, your spouse, or a family member with fixed income payments for life. The charity typically ends up with about half of your donation, while you get an immediate tax deduction and some guaranteed income. Keep in mind that an annuity is a contract between you and the charity, and your return isn't guaranteed by the government.

Private foundations. A private foundation is a charity established by an individual, family, or corporation. Although it offers donors a great deal of control over their gifts, a private foundation can be costly to administer, and it must adhere to a strict set of rules designed to ensure that it carries out its charitable purpose.

Bequests. If you wish to give to charity posthumously, you may make bequests by way of your will, trust provisions, or beneficiary designations. Although bequests offer simplicity and are easy to set up, they are not income tax deductible during your life.

Gifting to Family Members

Giving back doesn't always mean giving to charity. Gifting to family members can be just as rewarding, and it can be an effective way to transfer wealth while reducing or avoiding taxes. Here are several common strategies for gifting to family members:

- **Making an outright cash gift.** For tax year 2019, you may gift up to $15,000 to any individual without tax consequences. (This amount increases to $30,000 for married couples). This limit will remain the same for tax year 2020. If you're sharing gifts with your spouse, or you'd like to gift more than this amount to one person, you'll need to file a gift tax return using IRS Form 709.
- **Paying college tuition or medical bills directly.** If you'd like to pay a family member's expenses directly to a school or health care provider, the $15,000 limit does not apply. Plus, you're still free to give the individual a separate tax-free gift of up to $15,000.
- **Contributing to a 529 plan.** With this strategy, you can contribute to a relative's qualified education expenses while paring down your own estate. Contributions to 529 plans grow tax deferred, and withdrawals for the beneficiary's education are tax free at the federal level (and usually at the state level, too). Additionally, 529 plans are eligible for a special exemption that allows you

to gift up to five years' worth of annual exclusion contributions (i.e., up to five times $15,000, or $75,000, per person per year) without using any estate and gift tax exemption. You will need to file IRS Form 709 to document the transaction.

With all the options available, choosing the best way to give to charity or family members can seem overwhelming. Don't hesitate to reach out to your financial advisor to discuss various strategies and select an option that makes sense for you, your family, and your financial situation.

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.

Patrick Chamberlin Earns a Management Liability Insurance Specialist Designation

Allen Insurance and Financial is pleased to announce that Patrick Chamberlin has earned a Management Liability Insurance Specialist designation from the International Risk Management Institute.

Chamberlin is a business insurance producer in the company's Camden office.

This insurance certification recognizes specialized expertise in the fundamentals of professional liability insurance and the more specific nuances of directors and officers liability, employment practices liability and fiduciary liability exposures and insurance.

Tips for Avoiding Common Holiday Cyberscams

For many of us, the holiday season is a wonderful time of year. Unfortunately, it can be especially profitable for cybercriminals. Because of the prevalence of online shopping, we almost always see a significant increase in cyberscams during November and December. To help you avoid becoming a victim of holiday cybercrime, here are some of the top scams to watch out for—and tips for avoiding them.

Shady Shipping Notices

During the holiday season, it’s very likely that you will ship at least a couple of packages directly to your loved ones or have online purchases sent to your home. This makes the shipping notice scam a popular one for cyberscrooges. Here’s how it works: The scammer crafts an email, purportedly coming from UPS or FedEx, notifying you of a problem delivering your package. To resolve the issue, you need only click on a link in the email message or open an attached invoice. Of course, doing so will install malware or ransomware on your computer or device.

Don’t fall for it. Be particularly wary of emails claiming to come from any courier service. If you do receive a message like the one described above—whether you believe it to be legitimate or not—go to the website of the company you may have ordered from. You should be able to track your package from the retailer’s site. Use the tracking number for the courier service that the retailer provides. You can also go directly to UPS.com or FedEx.com and obtain the delivery status there. Whatever you do, don’t click on any links or download any attachments in the original message.

Eyebrow-Raising Refunds

This phishing scam is designed to steal your personal and financial information. Typically, an email claiming to be from an e-commerce company like Amazon, eBay, or Overstock will say that something has gone wrong with your recent order. You will be prompted to click on a link in the message to obtain your refund. Unfortunately, if you do, you will be taken to a dummy website set up to look like a legitimate sender. There, you will be asked to fill out a form with your financial information to let the sender know where it can issue your refund.

Don’t fall for it. Again, to check the status of any order you may have placed, go to the company’s website directly (e.g., Amazon.com, eBay.com). If the company doesn’t offer the ability to check an order’s status, verify the transaction by calling the firm at a phone number that you know is legitimate.

Giveaways Galore

The gift card scam is seen year-round but more often during the holidays. These bogus offers are most commonly delivered by cybercriminals through social media, usually through a friend’s hacked account or a fake company page set up to look as if it’s legitimate. Appearing to originate from an entity like Best Buy, Ikea, or Whole Foods, the offer claims that the company is giving away hundreds or thousands of dollars in gift cards. But if you follow the instructions provided to obtain your gift card, you will likely be led to a phishing form that asks for your personal information.

Don’t fall for it. Remember, if something seems too good to be true, it probably is! If the post appears to come from a friend, call or text him or her to ask if it’s legitimate. In addition, be wary if the “official company page” looks a little off. Check how many followers the website has. The retailer’s authentic website may have hundreds of thousands or millions of followers. Further, a huge promotion such as the one described in the offer you received would also be listed on the retailer’s website, so check there directly or call the company’s customer service number.

Website Vendors That Don’t Deliver

Many popular and novelty items may be sold out and on backorder until after the holidays. Or they may be hard to find from mainstream merchants altogether. So it’s not uncommon for consumers to search online for a less well-known vendor that may have the items. But beware! Another favorite holiday scam is staged through sketchy websites claiming to have hard-to-find items in stock. These sites trick you into paying for the items with no intention of delivering them. Often, these entities are based overseas.

Don’t fall for it. Search the Better Business Bureau website for customer reviews and the accreditations of merchants that are unfamiliar to you. In addition, because not all businesses are listed with the BBB, you might want to hunt elsewhere on the web for reviews posted by other consumers. If you can’t find much information on the vendor, stay away!

Still nervous? Below are additional tips to protect yourself from holiday scams:

• If possible, use credit cards for online transactions. If you fall for one of these scams and unknowingly hand over your debit card information, it’s easy for the cybercriminal to drain your bank account quickly. Purchases made with credit cards typically offer more consumer protections.
• If you’re uncertain about the legitimacy of a website, check its safety rating on Scamadviser.com or URLVoid.com.
• If searching for an item on a lesser-known merchant’s website, check for spelling and grammatical errors. If found, these mistakes are a red flag that the site is most likely based overseas—indicating a possible scam.
• Avoid online shopping or conducting any financial transactions over an unsecure Wi-Fi network.

‘Tis the Season
With all the merriment and shopping during the holidays, the risk of inadvertently exposing your credit card or bank account details is very real. It’s important to take a step back and pay attention to the emails you’re receiving and the websites you’re using. By following the suggestions discussed here, you can help

protect yourself against cyberscams so you can fully enjoy the holiday season.

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!