

# FDIC Financial Checklist for Consumers

Any time of year, but particularly the start of a new year, is a good time for consumers to reflect on how they are managing their finances and consider some changes. The latest FDIC Consumer News features a checklist of questions and suggestions that can help individuals better meet their goals.

Is it time for your financial checkup? [The FDIC newsletter](#) helps consumers get started on a self-examination of their money-management strategies for saving, spending and borrowing, and taking precautions in areas such as avoiding fraud, managing financial records and being properly insured. The first question on the list asks consumers about their short-term and long-term financial goals, which could include, for example, paying off the balance on a credit card, buying a home or financing a child's college education. With financial goals in mind, people may be more motivated to save for and achieve their objectives.

Taking your money on a trip: Suggestions cover topics such as alternatives to carrying cash (which, if lost or stolen, can't be replaced), deciding on which credit cards to take, and tips for hiding credit cards and other valuables from thieves who may target travelers.

Five common misconceptions about FDIC insurance ... and what the real facts are: For example, some people mistakenly believe that FDIC insurance coverage is based on the type of deposit – for example, that a checking account is insured separately from a certificate of deposit (CD). The truth is that FDIC insurance coverage is based on how much money each depositor has in one of several “ownership categories” at each bank – single accounts, joint accounts, revocable trusts and so on – not on the deposit product itself. Knowing the facts will help consumers make sure all of their deposits are protected.

A bank by any other name may still be insured: Suppose you get an attractive offer of a deposit from an unfamiliar bank but it's not listed on the FDIC's database of insured institutions. Does that mean it could be an uninsured bank, or worse, fraudulent? The answer is ... maybe or maybe not. One reason is that insured branches and Internet sites can do business using names that don't match the bank's official name.

For information on a financial checklist and more, click over to the **FDIC newsletter**.

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## **Closing Early New Year's Eve**

On New Year's Eve, Dec. 31, our offices are closing at 1 p.m. and will reopen Thursday, Jan. 2, at 8 a.m.

Happy 2014!

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## **Continuing Education Program Benefits Our Employees and Their Customers**



Four members of the personal insurance team at Allen Insurance and Financial recently achieved the designation of Accredited Customer Service Representative from the Independent Insurance Agents & Brokers of America.

They are (clockwise, from top left): Chris Wilson, Meesha Luce, Leann McKusic and Holly Hill-Coombs. All are based in the company's Rockland office.

"The ACSR designation shows our people are well-educated members of the insurance industry," said Scott Carlson, personal insurance team manager. "Holly, Meesha, Leann and Chris are dedicated to improving their technical knowledge and enhancing their professionalism."

The ACSR designation program was developed to recognize the contribution made to each customer by the service they are provided through independent insurance agencies such as Allen Insurance and Financial.

Independent Insurance Agents & Brokers of America is the nation's oldest and largest national association of independent insurance agents & brokers with more than 300,000 members. Find them online at [independentagent.com](http://independentagent.com).

Founded in 1866, Allen Insurance and Financial is an employee-owned insurance and financial planning services company with offices in Rockland, Camden, Belfast and Southwest Harbor, Maine. In 2014, the company will be celebrating the 25<sup>th</sup> anniversary of its employee stock ownership plan.

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# Holiday Hours: Christmas 2014

Our offices will be closed for Christmas both Tuesday, Dec. 24 and Wednesday, Dec. 25. Our offices will reopen Thursday, Dec. 26 at 8 a.m.

On New Year's Eve, Dec. 31, our offices are closing at 1 p.m. and will reopen Thursday, Jan. 2, at 8 a.m.

Best wishes for a Merry Christmas and a Happy New Year!

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## Bookham Named Director of Business Development



Dan Bookham

Allen Insurance and Financial is pleased to announce the appointment of Dan Bookham, a business insurance specialist, as the company's director of business development, a new position.

Bookham joined the company in September 2012 after four years as executive director of the Penobscot Bay Regional Chamber of Commerce.

Other administrative changes effective Jan. 1, 2014 at Allen Insurance and Financial:

- The appointment of Jean Dutch as the company's Chief Operations Officer. She has also been named a vice president of the corporation. Dutch, of Belfast. She has

been with the company since 1995.

- The appointment of Gene McKeever, a business and marine insurance specialist, as a vice president of the corporation. McKeever has been with Allen Insurance and Financial since March 1992.
- The retirement of Steve Crane and Peter Van Alstine from the company's board of directors. Crane, a former company president, retired from that position in November 2007. Van Alstine, a long-time financial advisor with the company, is retiring at the end of 2013.

The company's board of directors approved these changes at their annual meeting earlier this month.

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# **Weekly Market Update**

## **12/16/2013**

Equity markets slid lower last week, and the S&P 500 posted its first weekly loss since early October. Losses for most major domestic large-cap indices were grouped tightly in the 1.50 percent–1.60 percent range. Unlike in previous periods, there was no late-week rally to offset the declines that took place earlier in the week. [Read more now in our Weekly Market Update.](#)

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# Weekly Market Summary – 12/9/2013

Equity markets were largely unchanged last week, with the S&P 500 posting a nominal gain of 0.01 percent and the Nasdaq faring slightly better, up 0.08 percent. International indices, as well as the small-cap Russell 2000, were notably weak.

Contrary to appearances, equities were quite volatile last week. A 1.10-percent gain for the S&P 500 on Friday—thanks to better-than-expected economic news—wiped out losses that had built up earlier in the week. [Read more now in our Weekly Market Summary.](#)

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# Weekly Market Summary – 12/2/13

Equity markets showed some modest upside in a very quiet week of trading. The S&P 500 gained 0.10 percent to eke out another all-time closing high for the week. [Read more now in our Weekly Market Summary.](#)

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# Weekly Market Summary – 11/25/13

The yield on U.S. 10-year Treasuries stood at 2.76 percent early Monday morning, up from last week's low of 2.66 percent. The move comes off of the Fed's recent discussion on tapering—specifically, how it could be further down the road than many investors and analysts anticipated.

Most broad-market equity indices were in positive territory last week thanks to a rally in prices on Friday. The best large-cap performer, the Dow Jones Industrial Average continues to try and close the gap on year-to-date performance versus other domestic indices. Small-cap stocks posted the best performance on the week while international markets lagged—a common theme throughout the year.

[Read more now in a Weekly Market Summary.](#)

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## Year-End Financial Planning

With the end of the year quickly approaching, it is a wonderful time to begin organizing your finances for the New Year. We've put together a list of important financial planning topics that warrant consideration.

*Presented by Thomas Chester, CFP®*

### **Flexible spending accounts**

Money that you've put away in your flexible spending accounts

(FSAs) must be used by year-end or it will be forfeited. Now's the time to schedule those doctor's appointments you've been meaning to attend to or to stock up on items that are eligible for flexible spending. Doing this as soon as possible may help relieve some last-minute headaches and ensure that you don't lose your hard-earned dollars.

Additionally, open enrollment begins around this time of year for certain employee benefit plans. So if you're not using an FSA, take stock of your average expenses that would qualify. This can help you determine whether setting up an FSA for 2014 makes sense for you. If you already use an FSA, assess how much extra you have left in the account or how much of a deficit you ran and use it to calculate your allotment for the New Year.

### **Medicare enrollment**

Open enrollment for Medicare started in October and ends December 7, 2013. For many, this is the only chance to change health and prescription drug coverage for 2014. If you want to make any changes, act now.

### **Recharacterization of Roth IRA rollovers or conversions**

If you converted a traditional IRA to a Roth IRA during 2013 and paid tax on the conversion, mark your calendar now to allow plenty of time to meet the October 15, 2014, deadline for recharacterizing (i.e., undoing) the conversion.

### **Reporting losses on stock sales**

Be aware of important deadlines regarding trading date closings. A trade to sell a long position must be executed by the close of the last trading date of the current year. Similarly, a trade to sell a short position must be executed so that it settles by the last trading date of the current year.

### **Retirement planning**

Review your retirement plan allocation and contribution elections. If you're not taking full advantage of any matching features or potential tax benefits for maximizing your contributions, now is the time to evaluate your ability to do



that. Also, when it comes to qualified savings, assessing your allocation to ensure that it's still in balance and pursuing your objectives will help you start the New Year off on the right foot.

### **Taking stock of savings**

Did you set savings goals for the current year? Make a realistic assessment of how well you've met those goals and think about your goals for the upcoming year. There's no reason why you can't make some financial resolutions along with your other new year's vows. If you determine that you are off track, let us help you develop and monitor a financial plan.

### **Taxes, taxes, taxes**

**RMDs and estimated taxes.** If you're turning 70½, you must devise the best strategy for taking required minimum distributions from your traditional IRA and 401(k) plans.

Be sure to take potentially large bonuses and a prosperous business year into account when considering your taxes for 2013. You may have to file estimated taxes or increase the upcoming January payment.

**Managing marginal tax brackets.** In 2013, the IRS added a 39.6-percent tax bracket, a 20-percent capital gain tax bracket, and a 3.8-percent Medicare tax on net investment income. Moreover, those in higher marginal tax brackets may be subject to an additional 0.90-percent withholding tax, as well as limits on and phase-outs of itemized deductions and personal exemptions. If a taxpayer is on the edge of the new tax thresholds, he or she may be able to defer or accelerate income or deductions to help minimize taxes.

- **The 39.6-percent marginal tax bracket** affects taxpayers with taxable incomes in excess of \$400,000 (filing single), \$450,000 (filing married), \$425,000 (filing head of household), and \$225,000 (filing married but separately).

- **The 20-percent capital gain tax rate** applies to those in the 39.6-percent marginal tax bracket.
- **Itemized deductions and personal exemption phase-outs** affect those with adjusted gross incomes above \$250,000 (filing single), \$300,000 (filing married), \$275,000 (filing head of household), and \$150,000 (filing married but separately).
- **The 3.8-percent surtax** is applied on the lesser of net investment income or the excess of modified adjusted gross income over \$200,000 (individual) and \$250,000 (married filing jointly).

**Too little or too much withholding.** Also of note is that workers with gross earned income of more than \$200,000 may have had too little or too much tax withholding in 2013. Employers may have withheld an additional 0.90-percent tax on incomes over \$200,000 without regard to the taxpayer's withholding status, which would put these taxpayers at a higher threshold. Other taxpayers may have had too little withholding because of other income unknown to the employer due to second jobs. Employees should plan to take a credit on their returns or pay additional taxes.

### **Estate planning**

To help ensure that your estate plan stays in tune with your goals and needs, you should be reviewing and updating it on an ongoing basis. If you haven't done so during 2013, take time before the end of the year to:

- Check trust funding
- Account for any life changes
- Update beneficiary designations
- Review trustee and agent appointments
- Review provisions of powers of attorney and health care directives
- Prepare for the distribution of personal effects
- Get a firm understanding of all of your documents

## **Consider seeking professional guidance**

The above list of financial planning dates is not exhaustive. We are happy to go over deadlines that are most relevant to your personal situation, so you can better prepare for the coming year.

Whatever your planning may entail, we wish you a happy, healthy, and prosperous 2014!

*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.*

### **IRS CIRCULAR 230 DISCLOSURE:**

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.

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