

# Money Line

- ◆ Shred credit card, debit card and ATM receipts that aren't needed for tax purposes after you've checked your monthly statement.

- ◆ Keep records of the purchase and sale of mutual funds and stocks until you've reported them to the IRS and then keep the records with tax-related documents.

## April is Shred-It Month!

Tired of looking at all those papers, but afraid to toss them because of the risk of identity theft? Don't dread it, SHRED it! Frampton Kimmel Group is offering free shredding service for our clients in April. Bring your personal documents (**no businesses and no more than 1 shopping bag please**) to our office from 9 AM to 4 PM Monday thru Friday during April and we'll take it from there. Shredding will be done by Knisely Shredding, shredding and security professionals for 32 years.

Not sure what to toss? Here are a few suggestions to get you started...

*Information from the CT Dept. of Social Services, Aging Services Division*

- ◆ Shred anything with your signature, credit card, social security or phone numbers, medical or legal information.

- ◆ Shred paystubs & canceled personal checks after one year, unless needed for tax, warranty, or insurance purposes.

- ◆ Supporting tax documentation can generally be thrown out 3 years after the return's due date.

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The answer to last issue's Brain Teaser:

**The man had the hiccups and the bartender scared them out of him!**

## Rollovers: Moving Funds When You Change Jobs

### What Is a Rollover?

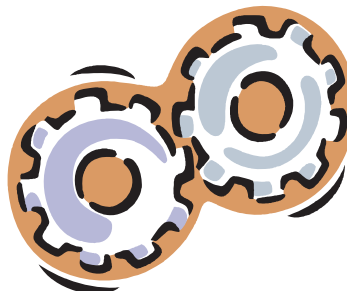
In general, a rollover is the movement of funds from one retirement savings vehicle to another. You may want, or need, to make a rollover for any number of reasons—your employment situation has changed, you want to switch investments, or you've received death benefits from your spouse's retirement plan. There are two possible ways that retirement plans can be rolled over — the 60-day rollover and the trustee-to-trustee transfer.

### The 60-day, or Indirect, Rollover

With this method, you actually receive a distribution from your retirement plan and then, to complete the rollover transaction, you make a deposit into the new retirement plan that you want to receive the funds. You can make a rollover at any age, but there are specific rules that must be followed. Most importantly, you must generally complete the rollover within 60 days of the date the funds are paid from the distributing plan.

If properly completed, rollovers aren't subject to income tax. But if you fail to complete the rollover or miss the 60-day deadline, all or part of your distribution may be taxed, and subject to a 10% early distribution penalty (unless you're 59½ or another exception applies).

Further, if you receive a distribution from an employer retirement plan, your employer must withhold 20% of the payment for taxes.



*Continued on Page 3*

## Brain Teaser

A rich Texan tells his two sons to race their horses across the state to see who will inherit his fortune. The one whose horse arrives **last** will win. The brothers, after wandering aimlessly for days, ask a wise man for advice. After hearing the advice they jump on the horses and race as fast as they can to their destination.

What was the advice?

If you think you have the answer, call us at 717.236.0480.

All correct answers will be entered into a drawing and a winner will be chosen on March 29.

Good Luck!

## Estate Planning Seminar Held

The snow may have postponed it, but the Frampton Kimmel Group kicked off its informational seminar series on March 11 with *Estate Planning Basics*. While many people think estate planning is only for the rich, it can actually be even more important for smaller estates. Estate planning allows you to make sure your loved ones will be provided for and not overly burdened by personal and financial matters.



The class was conducted by Chris Frampton and Jackie Kimmel and included Vicky Trimmer, a founding shareholder in Persun & Heim P.C. Ms. Trimmer specializes in estate and business planning and estate administration.

Topics covered in the seminar included wills, durable power of attorney, health care directives, and living trusts. Attendees were given a workbook that included useful information and planning sheets on will planning, estate taxes, and life insurance.

## Making the College Dream a Reality

A college education might be one of the most important investments you'll ever make. But the ever-rising costs can make paying for college a burden. Fortunately, there are several tax-advantaged college savings options that can help you accumulate significant cash for college. The key is to understand your options and start saving whatever you can afford.



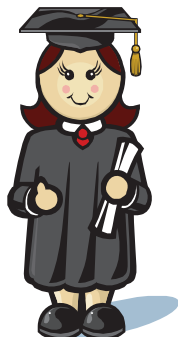
The Frampton Kimmel Group will address this issue in the next of our series of educational seminars for clients. Some of the topics we are going to discuss include:

Some of the topics we are going to discuss include:

- ◆ Cost Projections
- ◆ Financial Aid Overview
- ◆ College Savings Options (529 plans, Custodial Accts., etc.)

This seminar will take place on **Thursday, May 27** at the SpringHill Suites in Harrisburg (right off the Progress Avenue exit of Interstate 81). There will be two sessions, one from **5-6 PM** and another from **7-8 PM**. There is no charge for the seminar, but space is limited, so if you're interested, we recommend you call as soon as possible.

For more information, or to reserve your space, please call us at **717-236-0480**. We look forward to



## Client Spotlight



*(We're introducing this new feature to focus on the talents of some of our clients. If you, or someone you know, would like to be featured, please let us know.)*

**Deb Garman**, known to friends as the duck junky, first became interested in duck decoys in the '80's when she saw a blank one at a yard sale. She remembers thinking it looked interesting so she bought it, took it home and painted it. And so it began...

Around 1993, Deb took an adult education class in carving at Cumberland Valley High School. She continued taking it for the next few years until the instructor moved on. At first, she was unsure how to continue, but soon her natural talent shone through.

When asked if she ever carves anything else, Deb responded, "No, just ducks." These are decorative life-size floating decoys. When judged in a show, they must float correctly. Apparently she has the knack, because she has won numerous awards for her ducks, including 1st Place in North Carolina this year, Best of Show for her East Caroline (twice!), 1st Place for her Hooded Merganser in 2008 and 1st Place for her Harlequin drake sea duck in 2009. She is currently working on a mallard for the world competition in April. We all wish her luck—though we doubt she'll need it!



*One of Deb Garman's award-winning ducks*

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**Famous Quote:**

The best measure of a man's honesty isn't his income tax return. It's the zero adjust on his bathroom scale.

-Arthur C Clarke

**BY THE NUMBERS:**

The four largest banks in the United States have 56% of all domestic bank assets. Ten years ago, the concentration of assets in the four largest banks was 35%

(source: The Wall Street Journal).

## Rollovers: Moving Funds When You Change Jobs (Continued from Page 1)

This means that if you want to roll over your entire distribution you'll need to come up with that extra 20% from your own funds. (You'll be able to recover the withheld taxes when you file your tax return.)

### The Trustee-to-Trustee Transfer, or Direct Rollover

The second type of rollover transaction occurs directly between the trustee or custodian of your old retirement plan, and the trustee or custodian of your new plan. You never actually receive the funds or have control of them, so a trustee-to-trustee transfer is not treated as a distribution. Trustee-to-trustee transfers avoid both the danger of missing the 60-day deadline and, for employer plans, the 20% withholding problem.

With employer retirement plans, a trustee-to-trustee transfer is usually referred to as a direct rollover. If you receive a distribution from your employer's plan that's eligible for rollover, your employer must give you the option of making a direct rollover to another employer plan or IRA.

A trustee-to-trustee transfer (direct rollover) is generally the safest, most efficient way to move retirement funds. Taking a distribution yourself and rolling it over only makes sense if you need to use the funds temporarily, and are certain you can roll over the full amount within 60 days.

### Should You Roll Over Money from an Employer Plan to an IRA?

In general, you can keep your money in an employer's plan until you reach the plan's normal retirement age (typically age 65). But if you terminate employment before then, should you keep your money in the plan or instead make a direct rollover to an IRA?

There are several reasons to consider making a rollover. In contrast to an employer plan, where your investment options are limited to those selected by your employer, the universe of IRA investments is almost unlimited. Similarly, the distribution options in an IRA (especially for your beneficiary following your death) may be more flexible than the options available in your employer's plan.

On the other hand, your employer's plan may offer better creditor protection. In general, federal law protects your total IRA assets up to \$1,095,000 (as of 4/1/07) - plus any amount you roll over from a qualified employer plan-if you declare bankruptcy. (The laws in your state may provide additional protection.) In contrast, assets in an employer retirement plan generally enjoy unlimited protection from creditors under federal law regardless of whether you've declared bankruptcy.

If you have questions about what's the right decision for you, it's always a good idea to discuss the matter with your financial planner.

### Some distributions can't be rolled over, including:

- ◆ Required minimum distributions (to be taken after you reach age 70½ or, in some cases, after you retire)
- ◆ Certain annuity or installment payments
- ◆ Hardship withdrawals
- ◆ Corrective distributions of excess contributions and deferrals





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