



Your Bottom Line

PUBLISHED QUARTERLY BY: MACKENSEN & COMPANY, INC. FEE-ONLY FINANCIAL PLANNERS
Navigating a clear course toward your financial security.



Deb Curtis

Deb Curtis Becomes Enrolled Agent

Please join us in congratulating Deb Curtis on earning the Enrolled Agent (EA) designation from the Internal Revenue Service. Enrolled Agents are individuals who have demonstrated to the IRS special competence in tax law, earning them the privilege of practicing (representing taxpayers) before the IRS in all types of tax matters.

Enrolled Agents are the only tax professionals tested by the IRS on their knowledge of tax law and regulations. To earn the right to practice before the IRS as an

Enrolled Agent, an applicant must successfully complete a three-part examination covering a broad range of tax rules related to both individual and business income taxation, as well as best practices for providing advice to clients and working with the IRS to resolve taxpayer issues. To maintain their designation, the IRS requires that Enrolled Agents adhere to a code of ethics and meet continuing education requirements each year.

In successfully earning the EA designation, Deb has demonstrated an enormous commitment to improving her knowledge of tax law to better serve you. We are very proud of her accomplishment. ❖

NH Contemplates New Estate Tax

Proper estate planning may become more important in the near future as New Hampshire, like many other states, contemplates changes to its tax laws that will bring back a state-level estate tax. The New Hampshire estate tax has effectively been nullified for the past seven years because it equaled the maximum federal credit for state death taxes. This credit was repealed by Congress in 2001.

The New Hampshire legislature is considering a new estate tax provision that would decouple the state's death tax from the federal estate tax system. Preliminary proposals call for an 8% tax on estates exceeding \$2.0 million – a much smaller exemption amount than the \$3.5 million currently allowed under the federal law. If New Hampshire enacts this lower state exemption, estate plans will need to be revisited to ensure they have been optimized to reduce both state and federal death taxes. ❖



David A. Batchelder

CFP Designation . .

We are proud to announce that David Batchelder, CFA, recently earned the CERTIFIED FINANCIAL PLANNER™ designation from the Certified Financial Planner Board of Standards. To earn the CFP® designation, candidates must not only meet high standards in education, experience, and ethics, but also pass a comprehensive 10-hour examination that tests a candidate's ability to apply financial planning knowledge to client situations. Please join us in congratulating David Batchelder on this notable achievement. ❖

Another Successful Tax Season Completed

Nancy Bruder, Deb Curtis, Kathy Grant and David Mayes processed 180 tax returns by April 15 with only two extensions of time required. Once again, we thank you for getting your paperwork in promptly to give us an early start on preparing your returns. Like last year, many returns were completed in February but held aside for filing in anticipation of corrected 1099 statements from custodians. This avoided the need to file amended returns to reflect changes in qualified dividends and foreign tax credits. ❖



David T. Mayes

Advanced IRA Training

Recently, David T. Mayes, EA, CFP® attended an intensive, two-day, advanced education session hosted by IRA distribution expert Ed Slott, CPA. Mr. Slott, widely recognized as America's leading expert on IRA distribution planning, recently hosted a nationally televised Public Television Special, "Stay Rich Forever and Ever with Ed Slott," which you may have seen.

The program David attended was designed exclusively for financial planners to provide the tools for assisting clients with navigating the complex IRS rules regarding distributions from individual retirement accounts and employer retirement plans. The program covered a wide variety of topics including tax law changes affecting IRAs and qualified plans; proper

estate planning with retirement plan assets; important differences not only in required minimum distribution rules across plans, but also in distribution rules for different types of beneficiaries; and tax traps to avoid when transferring assets between retirement accounts. Many court cases and IRS rulings were discussed to provide real-world examples of the multitude of errors IRA account holders and plan participants can make in handling their retirement wealth.

Our hope is that this ongoing commitment to advanced education will continue to provide immense value to our clients. We are here as a resource for you when you have questions about your retirement plans. Please do not hesitate to reach out to us when you, friends, or family members have questions about their IRAs or company retirement plans. ❖

Beneficiary Designations

During meetings with us, you may have noticed that we spent a considerable amount of time discussing the beneficiaries that you have designated for your retirement accounts, in addition to your life insurance policies. Because of the important role beneficiary designations play in the transfer of retirement plan assets (both IRAs and company retirement plans), it is imperative that all of your accounts be checked to ensure that your intended heirs are clearly designated on the account records. Beneficiary designations trump all other estate planning documents in determining who ultimately receives your retirement

funds after your death. Retirement plan assets should not be passed down through your will.

You should never designate your estate as beneficiary on your IRA and company plan accounts because your heirs will lose important tax benefits.

Probate court records are full of cases where the failure to check up on beneficiary designations has led to unintended consequences. We will continue to be diligent in requesting confirmations and updates to your beneficiary designations so that your plans are carried out according to your wishes. ❖

Treasury Extends Guarantee Period

In the wake of last fall's credit market deterioration, the U. S. Treasury Department instituted its Temporary Guarantee Program for Money Market Funds, a program designed to protect investors with cash deposits in money market mutual funds.

Both of our custodian firms, Schwab and Fidelity, elected to participate in the voluntary guarantee program for their money market fund offerings. The initial guarantee period, which was set to expire on April 30, 2009 by the Treasury, has been extended until September 18, 2009. ❖

Adviser's Statement Available

The Investment Advisers Act of 1940 requires that all registered investment advisers offer a disclosure statement to all clients at least annually. Mackensen & Company invokes the "brochure rule" and offers our Form ADV Disclosure Statement to all clients and prospects. Call or write if you would like a copy sent to you. ❖

Mackensen & Company, Inc., is a fee-only financial planning and investment management firm. No commissioned products are sold. For further information, call:

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