



CLIENT NEWSLETTER

LETTER FROM THE PRESIDENT

Dear Clients,

I wanted to take this moment to wish you all a very Merry Christmas and a Happy New Year 2010. I can hardly believe it is almost 2010 already. May this newsletter find you and your families enjoying life, loving others and celebrating the “freedom” that Jesus died to give us in the “spirit” and our forefathers died on this land to give us in the “flesh”. We appreciate you and your business and look forward to a very prosperous 2010 for both MSA and for you and your family!

I decided to focus this New Year’s 1st quarter newsletter on addressing 2010 Tax Tips and the importance of you knowing them before you see your accountant this year for the closing out of your 2009 taxes. See page 4.

I also wanted to focus you all on the “roof” of the MSA Financial House Strategy and how appropriate it is for us in America to hear the importance of protecting our “retirement nest egg” from both “Taxes” and “Inflation”. There is a very important offer out there for us all to consider who have Traditional IRA’s. I would highly recommend you read up on this and discuss it with your CPA this year. It is called the “TIPRA” Roth IRA Conversion Opportunity of 2010. See page 5. You may find that the best investment you can make in 2010 is to pay Uncle Sam off now and create a true TAX SHELTER by converting your traditional IRA to a ROTH.

We in America have seen an amazing rate of inflation on the cost of healthcare and goods, but we’ve not really seen the same inflation rate on income. For most of us, we will never see a penny of the social security dollars we’ve paid in and, regardless, most of us do not have a pension so we have to self fund that as well. When funding 401k’s and Traditional IRA’s we may get the tax deduction up front, but for most of us, using history as our measuring

instrument in lieu of a crystal ball, we have to be clearly aware that our tax brackets are only going up. If this healthcare reform does pass with a public option, someone has to pay for it and, once again, if history repeats itself, it will be us. Imagine if you had \$100K in a ROTH at retirement, it is worth \$100K to you when you take it out. If it were in a Traditional IRA and you are in a 25% tax bracket today, it is only worth \$75K. If that 25% tax bracket grows to 40%, the \$100K would only be worth \$60k. That is a huge difference of return and many of you were never eligible to fund a ROTH due to your income so the only way you will ever acquire one is to take advantage of this “potential” one time offer. So don’t miss it.

I’ve deferred in my President’s report from a legislative opinion on the “healthcare” issue as I’ve dedicated a full page of our newsletter to it this quarter in our “Legislative Corner.” See pages 6 & 7.

Since we do live in a “Christian country,” and the Constitution of the United States of America verifies that, I would like to take this moment to request a very special prayer for our country, “in the name of Jesus” especially during this very special holiday called Christmas, which is a true celebration of the birth of Christ. It is always nice to celebrate all of the other holidays in this country, but this one, Christmas, is very special. Enjoy it and pray about and for it. May God bless us all and keep us and may we all band together in prayer for each other and our country. May you and your family have a very joyous and prosperous 2010. Happy New Year!

Respectfully submitted, *Michele*



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MSA Corporate Staff



MSA Referring Partners:

Dez'rae Richardson, ADP Payroll Services

Dez Richardson, Senior District Manager for ADP relocated to Florida four years ago and found the perfect career fit for her skills and goals. ADP is the world's largest payroll and tax provider, operating in 28 countries and work in many different divisions such as small business, dealership services and national business services. As a company, ADP is ranked in the top 250 as a fortune 500 company. Financially, we are "AAA" rated and hold this title with only three other American companies. This is a huge accomplishment in these economic times. As an ADP SDM, I am responsible for two things: providing World Class Service to existing clients and transitioning new business clients to our solutions with ease and integrity. With so many solutions for small business clients we are always growing in the products and services we offer. In the last six months we have integrated with background checks, human resource management tools and employer tools such as handbooks and job descriptions. I am very passionate about the company I represent, but more so about the clients I have the privilege of working with. Finding the right solutions and educating business owners in a team environment together with MSA is our way of enhancing your company. As your team of business resources there is no solution we can't help you with, even if that solution is staying right where you are with what you have.

I was born in a tiny town in Western Massachusetts (actually an island in the middle of the Connecticut river). It's funny... when you come from a small town all you want to do is leave when you're growing up, and then you spend your adult life trying to get back to small town life. I grew up as the 5th child of 8 and can honestly say I didn't know what "silence" was until my first night away from home in college! I graduated from Bay Path Women's college in Longmeadow, Mass. I love spending free time with my toy schnauzer, Sophie who thinks she's a "people" not a "puppy". I also enjoy travel. In the last 2 years I have had the opportunity to visit Ireland, France, Dominican Republic, Cozumel, The Keys, Monterrey, Calif. and a few other spots I've popped into along the way. My favorite getaway is packing a backpack, grabbing the passport and heading to the airport to see what kind of a good deal I can find for 4 days...then GO !

Please feel free to contact me through MSA. I look forward to getting to know you and helping with your business needs.

"If we did all of the things we are capable of doing, we would literally astound ourselves"

~ Thomas Edison (1847-1931)

**Special insert to this quarter's newsletter: ARGUS DENTAL'S MASTER PLAN
Available to Individuals as well as Groups.**

Fax in the Enrollment Form or call us for details. 941-753-0031



*MSA
would
like to
take a
moment*

*to wish each of
you a Very Happy
and Prosperous
New Year.*

*Michele Powell,
President*

What is the difference between actual gain and recovery?

Have you been wondering why your statements show that you've had a return yet you have less money in your account than you had this time last year? If so, then maybe the following chart will help you understand what has happened to your retirement strategy.

The following example has an investor in Column "A" investing with the intent to take risk with their dollars in order to not have a cap on their potential gains. Column "B" is a true No Risk strategy that caps the gains, but also has a floor under the portfolio which creates a "No Risk" privilege. Which column would you rather retire with?

A			B		
1	+40%	\$140,000	1	+10%	\$110,000
2	-25%	\$105,000	2	0%	\$110,000
3	+10%	\$115,500	3	+10%	\$121,000
Total Gain		25%	Total Gain		20%
Rate of Return		8.33 %	Rate of Return		6.67%

Notice Total Gain return equations don't necessarily mean you actually got a higher return.

There is serious power in having a "no risk" retirement strategy. People sometimes talk about "moving parts" to describe the mechanisms that drive some financial vehicles.

Participation rate: When the indexes reflect a positive change, the case value of your policy will increase, subject to a percentage known as the participation rate.

Cap: A cap sets the maximum percentage of interest your cash value can earn. The cap can be monthly or annual, depending on the crediting method you choose.

Fees: All life insurance products carry fees. For information about a specific product's fees, please consult the consumer brochure for the product you're considering.

Annual floor: This represents the minimum annual interest rate your policy will be guaranteed in a given year. The annual floor may vary among different products, and you may change it from year to year on your policy anniversary.

Some of us have been taught the potential for high gain is more important than the potential for safety and that is simply not true. Hence the reason that so many Americans lost the majority of their retirement portfolio last year.



Inflation: Do you have a "Roof" over your Financial Strategy?

At MSA we mentor clients in a holistic approach to a financial strategy. No one would build a physical house without a "roof" so we are often curious as to why so many financial advisors avoid educating consumers on the importance of having a roof. We understand the liabilities of the industry and recommend you consult with your CPA or tax advisors annually, but we also know a client needs to be aware and informed in order to know what to ask.

Taxes and inflation are both imperative for your retirement dollars to be stretched to their fullest extent. This tax season we should all be aware of the tax charts noted so you are sure to take your full deductions available to you. In addition, this upcoming year, 2010, we recommend you become aware that "PAYING TAXES NOW" may be the best thing you've ever done for yourself. Our Income Tax brackets have historically inflated, meaning that those who paid a 5% tax in the early 1900's are paying a 25% tax today in the early 2000's. That is only going to keep going up especially as we "share the wealth" or consider tak-

ing a portion of our efforts via taxes and redistribute them to the government to give out as they see fit. If history repeated itself, at our retirement those of us paying a 25% income tax now will be paying 40-50% when we retire. So a ROTH is a huge value to your "SELF FUNDED" retirement portfolio. It means you actually keep 100% of what you've saved. So is your Traditional Tax Deduction really worth it?

Make sure you do the math.

Inflation of Income Tax could destroy your retirement's financial plans so make sure you address the "Roof." Take the right tax deductions and don't get too zealous with deductions today that could cost double later!!

Next quarter: LIBRA: What is it?

2010 Traditional and Roth IRA Contribution Limits

Year	AGE 49 & BELOW	AGE 50 & ABOVE
2002-2004	\$3,000	\$3,500
2005	\$4,000	\$4,500
2006-2007	\$4,000	\$5,000
2008	\$5,000	\$6,000
2009	\$5,000	\$6,000
2010	\$5,000	\$6,000

How much can you contribute to an HSA?

For 2010, you can **contribute** up to \$3,050 for individual coverage or \$6,150 for family coverage, to your **HSA** (\$3,000 for individual coverage or \$5,950 for family coverage for 2009). This annual limit is the sum of the limits determined separately for each month (i.e., the amount you can **contribute** in each month is computed by dividing the annual **contribution** limit by 12).

For example, Jason is covered by an HDHP starting on January 1, 2010 and will remain covered for the rest of the year. Since his maximum annual **contribution** limit is \$3,050, his monthly **contribution** limit is \$254 (\$3,050 divided by 12). You can choose to make

monthly **contributions** to your **HSA**, or you can make a lump-sum **contribution** any time before your tax return becomes due (i.e., for most individuals, by April 15th of the year following the year for which **contributions** are being made), as long as your **contributions** have already accrued.

What if you become eligible for an **HSA** after the beginning of the year? In this case, your maximum **contribution** for the year is the annual maximum dollar amount for the year, even though you weren't eligible for the entire year. However, you must remain in the **HSA**-eligible plan

	Minimum Deductible	Maximum out-of-Pocket	Contribution Limit	55+ Contribution
Single	\$1,200	\$5,950	\$3,050	\$1,000
Family	\$2,400	\$11,900	\$6,150	\$1,000

IRS Announces Increased LTCi Premium Deductibility Limits for 2010

The IRS has announced the 2010 limits on the tax deductibility of qualified long term care insurance premiums. Deductible limits are up across the board from 2009, ranging from \$10 for the youngest group to more than \$130 for the oldest. For the first time, the maximum deductible limit for an individual exceeds \$4,000.

The 2010 limits are as follows:

Attained Age before Close of Taxable Year	Maximum Deductible Limit
Age 40 or less:	\$330
More than 40 but not more than 50:	\$620
More than 50 but not more than 60:	\$1,230
More than 60 but not more than 70:	\$3,290
More than 70:	\$4,110

The maximum non-taxable per diem benefit will be \$290 in 2010, up \$10 from 2009.

Sources: IRS Revenue Procedure 2008-66, 2009-50 ElderLawAnswers

for the entire calendar year following the last month of the year in which you made that **contribution**. Otherwise, the **contribution** will be included in your gross income for the calendar year in which you ceased to be eligible, and will be subject to an additional 10 percent penalty tax. You may also be eligible to make additional "catch-up **contributions**" to your **HSA** if you are 55 or older. The catch-up **contribution** amount is \$1,000. If eligible, both you and your spouse can make separate catch-up **contributions** to an **HSA**. However, no regular or catch-up **contributions** can be made once you reach age 65 and are enrolled in Medicare.

Caution: Contributions you make to an Archer MSA or to another **HSA** will reduce the amount you can **contribute** to your **HSA** for the same year.

New Roth IRA conversion opportunities in 2010

As noted in my President's Report, this may be an opportunity of a lifetime. Call your CPA today!!

Beginning in 2010, more people should be able to convert a traditional IRA to a Roth IRA — and take advantage of potential tax benefits. Barring any last-minute changes to the tax code, a provision of The **TAX INCREASE PREVENTION AND RECONCILIATION ACT (TIPRA) OF 2005** will:

- Permanently repeal the income limit for Roth conversions
- Permit conversions by taxpayers who are married but filing separately

ALLOW YOU TO REPORT INCOME FROM ROTH IRA CONVERSIONS COMPLETED IN 2010 EQUALLY OVER TAX YEARS 2011 AND 2012

WHY IS NOW A GOOD TIME TO CONSIDER A ROTH IRA CONVERSION?

While you'll pay taxes now on the pre-tax assets you convert, your money will grow tax-deferred in the Roth IRA — and withdrawals will be tax-free as well, when you have met certain requirements. New 2010 conversion rules may make converting to a Roth IRA more attractive, depending on your circumstances.

- **No income limit.** The \$100,000 income limit that currently exists for Roth IRA conversions will be repealed for 2010 and future years.
- **Special tax treatment for 2010 conversions.** Income from 2010 conversions can be reported either on your 2010 tax return or equally on your 2011 and 2012 returns.
- **Nondeductible IRA conversions.** Income limits for Roth IRA conversions are going away but income limits for Roth contributions remain in place. If you are not eligible for [deductible IRA or non-deductible Roth IRA contributions](#), you may wish to fund a nondeductible traditional IRA and then convert to a Roth IRA in 2010 and subsequent years. Note: This strategy may work best if you do not have a large existing pre-tax IRA. When you convert traditional IRAs to a Roth IRA, if any IRA assets contain after-tax contributions, then all IRA assets must be combined to determine which portion will be subject to income tax. Assets from IRAs that contain both pre- and after-tax dollars are distributed on a pro rata basis, even if the after-tax contributions are kept in a separate IRA.
- **Low market value opportunity.** IRAs and qualified plans with depressed values are especially advantageous to con-



vert. The current value will be taxed at conversion and the future growth will be tax-free (if qualifications are met).

- **Roth conversions can be recharacterized.** You have until October 15 of the year following the year you converted to recharacterize back to a traditional IRA for any reason. However, if you do recharacterize your 2010 Roth Conversion, a reconversion will not be allowed until the following year, and you will no longer be able to spread income tax from the conversion over two years.
- **Convert after-tax 401(k) assets.** If you hold after-tax money in a 401(k) plan, you can request a direct rollover of pretax contributions and earnings to a traditional IRA and convert after-tax assets and earnings directly to a Roth IRA. This allows you to fund a Roth IRA conversion and pay income taxes only on earnings from after-tax contributions.

ESTATE PLANNING STRATEGY. ROTH IRA CONVERSIONS CAN REDUCE THE SIZE OF YOUR TAXABLE ESTATE BECAUSE OF THE INCOME TAX ALREADY PAID AND CAN ALLOW YOU TO PASS INCOME ON TO BENEFICIARIES INCOME TAX-FREE. THE ROTH ASSETS MAY STILL BE SUBJECT TO ESTATE TAX.

IS A ROTH IRA CONVERSION RIGHT FOR YOU?

Roth IRA conversions can be a great opportunity but they are not for everyone. Before you convert to a Roth IRA, consider the following:

- **Your tax bracket.** Because you pay taxes when you convert pre-tax contributions and earnings to a Roth IRA, doing so is most effective if your tax bracket is lower now than it will be when you withdraw the assets.
- **Your time frame.** You need a significant amount of time to accumulate the earnings that will be distributed from the Roth tax-free. A minimum of five years is required, but a longer time frame is usually advisable. A Roth IRA conversion can be especially effective when the money is passed on to your heirs.
- **Your ability to pay conversion tax with non-IRA assets.** Paying taxes with non-IRA assets makes Roth conversions more advantageous. If you pay the taxes from the assets in your traditional IRA, you reduce the amount that will be able to grow tax-free in the Roth IRA. In addition, while assets you convert are not subject to penalty, any amount you withhold to pay for the conversion taxes is. In other words, if you pay taxes due on conversion with your IRA assets, that amount is treated as a distribution and is subject to income tax and a 10% IRS penalty if you are under age 59½.

Consider the following basic scenarios when you think about whether a conversion might be right for you, keeping in mind that your situation is unique and a decision should only be made in consultation with your financial and tax advisors.

Dwight D. Eisenhower was concerned about the Minimum Wage - 75 cents per hour. He set Cost of Living at 90 cents!



Legislative Corner

Dear Friends,

This legislative Report is intended to be an unveiling of the real issue in America where Healthcare and Health Insurance are concerned. Whether you are a Democrat or Republican, if you look at the quotes included with this report, you'll notice that the "inflating" cost of care" in America is the actual problem here and always has been.



Auto Insurance covers a catastrophic incident to your car at approximately \$50K and your bodies at approximately \$100K per person or \$300K per accident. It doesn't cover cost of Auto Care.



Your Home Insurance covers a catastrophic incident to your home (the average home is valued at \$500K). Home Owners Insurance does not cover cost of Home Care.

Your Health Insurance covers Both a catastrophic issue at an average policy value of \$3 Million plus the cost of CARE

Health Care is Your Co-Pay Type of Events:

- Dr's visits
- Pharmacy
- Physicals (Wellness)
- And small claims.

Health Insurance is Your Deductible Type of Services

- Surgery
- Major Testing due to major illness
- Hospitalizations / Emergencies

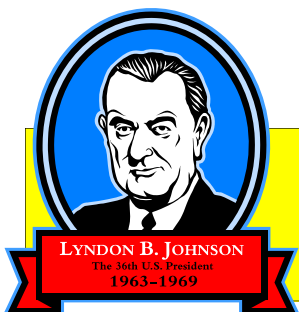
Imagine what your Auto and Home Insurance would cost if they covered tune-ups, oil changes, new tires to your car or a new refrigerator, carpet, windows and a maid to keep your home clean.

The cost of care is the issue in America and until that is addressed, there is NO solution, public or private, that America will be happy with.

The Public Option, however, is the worst option because it is not doing ANYTHING about care. So just like our private market does right now ... They, The Government, will have to try to play a mythical actuarial year of claims. After which when they've under estimated the costs and shown a loss, they will have to RAISE the cost of taxes or premium.

The simplicity to all of this is $1 + 1 = 2$ PERIOD

The reason other country's programs work (if an average American would consider restrictions and serious waiting period for even serious care working) is those countries CAP the cost of care.



In 1964, Lyndon B. Johnson was concerned about inflation. "In 1946 a house could be built for \$10,000. Today (1964), that cost has gone up to \$20,000."



JAMES E. CARTER
The 39th U.S. President
1977-1981

November 1, 1978, Jimmy Carter talked about the Stock Market going up more than ever had in history. It went up 35 points.

For example: Let's take a look at Canadian Drugs vs American Drugs. Why can you buy an American-made drug in Canada for as high as a 10 of what you pay in America even after the Insurance Company takes its discount? Because in 1955 Congress signed an agreement with the drug companies that America would not CAP the cost of the drugs. A good New Year's read would be: "The Truth about the Drug Companies" .. "How they deceived us and what to do about it"... by Marcia Angell, M.D.

This issue in America is a very serious issue and is not just about socialized medicine, it is really proposed "at large" as the first step to **SOCIALIZING AMERICA** and redistributing the wealth from the middle and wealthy to the other so-called middle and poor who often simply know how to work the system yet still have cable TV, cell phones and get their hair and nails done professionally while the rest of us are budgeting to make ends meet.

Wake up, America! We need to see the truth!

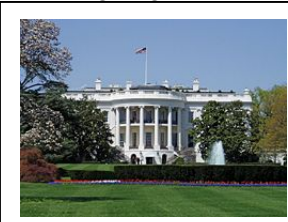
Montel Williams tried to expose this truism before the government gave our seniors the know how as Medicare Part "D" RX plan and many of those who are on it pay an astronomical expense of the "donut hole" annually. Go to Canada or get samples from the doctor for the prescriptions. It's amazing how we pay attention to the "cost of care" when it's coming out of our pockets. Well, with a public option, it will be in taxes and higher premiums both, whether you like it or not and whether you use it or not.

Who's gonna pay? The Government is NOT. They are broke for the next 200 years and this year, 2009, we learned going further in debt would fix things....WHAT IS FIXED?

Call your Congressman or Congresswoman and tell them "NO WAY!!"

I'll be going to Tallahassee to educate our Florida politicians on January 11 about how the health insurance and health care systems work in our industry. Some of them are lawyers, contractors, school teachers and while they move our Florida dollars and taxes, they don't understand either. Well, guess what? They want to know because Florida may be one of the first States in the Union affected.

In the Spring I will also be going to Washington to do the same thing there.



www.NAHU.org

I plead with you all, don't just watch Fox and CNN. Get involved.

OUR FREEDOM DEPENDS ON IT!

Educated and confidently submitted,
Michele Powell

**"The power to tax is the power to destroy."
Ronald Reagan**

Ronald Reagan told us on October 7, 1987, of the Prime Rate dropping. "When will they open their eyes to the onrushing surge of confidence now occurring in our country's financial markets? Earlier today, I'm pleased to say, a number of major banks in the U.S. lowered prime lending rates to 13%!"



RONALD REAGAN
The 40th U.S. President
1981-1989

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Mission

MSA Marketing is a unique mentoring agency which strongly believes in independency. We equip clients and colleagues with the tools and strategies necessary to access financial success. Our agents represent the entire industry, not a specific company, and educate and inform their clients with these tools and strategies as opposed to just selling them products. Our agents have the opportunity to be vested; therefore, they are in business for themselves but not by themselves.

Vision

MSA Marketing's vision is to secure pension-like retirement income streams and debt free lifestyles for its clients and colleagues, while at the same time teaching both to save free enterprise starting with the healthcare systems in America through Health Savings Accounts.

Goal

Educate and inform clients and colleagues by providing mentoring strategies and tools to assist both in understanding the simplicities of the health and financial service industries.



Visit us on the Web!



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