CLIENT NEWSLETTER

Client Newsletter

MSAMentoring.com

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Celebrate the Joy of Christmas through the Love of Christ

LETTER FROM THE PRESIDENT

Dear clients,

I hope this letter finds you all well. I wanted to take a moment to share our extreme THANKS for your business and the many referrals that you have sent to MSA this past year. Since this is our last newsletter for the year 2009 as the last quarter of the year is hear already, I thought it was most appropriate to focus my letter on our THANKFULLNESS for each of you this 2009.

MSA has watched many of our colleges go out of business in 2009, by the grace of God, MSA is doing well. Our financials are strong and we've even had to add staff. I'm sure we can do that because we can proudly say that NOT ONE of our clients lost ONE PENNY of their RETIREMENT dollars throughout the market crisis. We THANK YOU for the many referrals you all have sent our way now that you have each experienced the NO RISK RETIREMENT STRATEGY and the privileges of it, not to mention the peace of mind that it gives us all. I know that many of you have watched your friends, family and co-workers lose 30 – 60% of their dollars that were, in their mind, RETIREMENT DOLLARS. We are THANKFUL that you all are safe and look forward to helping you in 2009.

As a reminder to those of you who have 401k's and feel like you are stuck with what you have, the IRS codes allow you to take "in service" distributions if your "401k plan" allows it. If you are interested in participating in one of our "NO RISK Retirement Strategies" with those dollars please ask your 401k plan administrator if your plan offers an "in service" distribution and if so call us for your FREE Financial Consultation.

Now to address the "healthcare" issues in this country. I continue to stay very legislatively involved on both a National and Florida level. See the "Legislative Corner" on page 9 in this newsletter for more information. There is much to be DONE still and I pray that you get involved. America's "healthcare system" is not the only thing we are talking about here, Americans are not rejecting change in the "healthcare system" I think we all welcome change and improvement. SOCIALISM is what American's DON'T WANT and it is obvious! Lastly, I pray that each of you has a **BLESSED THANKSGIVING HOLIDAY** as well as a **VERY MERRY CHRISTMAS** and you and your families are joyous and prosperous. May God bless you and may you all have a **VERY HAPPY NEW YEAR** AS WELL!.

Respectfully submitted, *Michele*

MSA Corporate Staff

MSA's Management Team

Carol Lipp
Office Manager

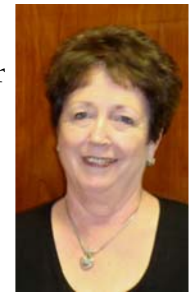
Charma Kern
Executive Assistant / Customer Service

MSA's Mentoring Team

Carlton Hadley

Stan Sharek

Welcome Loretta Waugh to MSA



Loretta began working with MSA as our Administrative Assistant in April 2009. She brings with her more than 20 years of experience as a retail banker in Manatee and Sarasota counties.

Loretta is a members of the First Church of the Nazarene in Bradenton. She has two adult sons and one granddaughter.

Loretta is looking forward to assisting MSA's clients and to all the exciting opportunities that MSA has to offer.

Donna Blizman, MSA Medicare Specialist, has been involved in the insurance industry and with MSA as an Independent Agent for many years. Donna will be adding to our newsletter periodically covering her area of expertise, Senior Insurance Products. Donna's article is on page 3 of this month's issue.

Russ Crooks, an Instructor with our MSA School, has a wealth of knowledge from his 30 years in financial services. He has focused upon qualified retirement plans that benefit both employers and their employees. Russ will also be contributing to our newsletter periodically. See his article this month on page 5.

This Thanksgiving Season, we are thankful for YOU. We would like to thank you for your business by providing a FREE financial consultation. Also, thank you for your referrals and for telling others about MSA, our awesome staff and service.

We appreciate you and your business!

Medicare Recipients: Take note

September is Healthy Aging Month

Annual Enrollment starts Nov. 15, 2009!

To all of you with the magic birthday of the great year of 1944….this is the big year, the time when many of you are retiring or thinking of retirement. The secret is to plan ahead…many of you are confused, intimidated and wondering what in the heck is the difference between Medicare "parts" A, B, C and D? And why are Medicare supplements broken down into "plans" A, B, C, D thru the whole alphabet? Many folks don't even realize that we are talking two about different products here…..

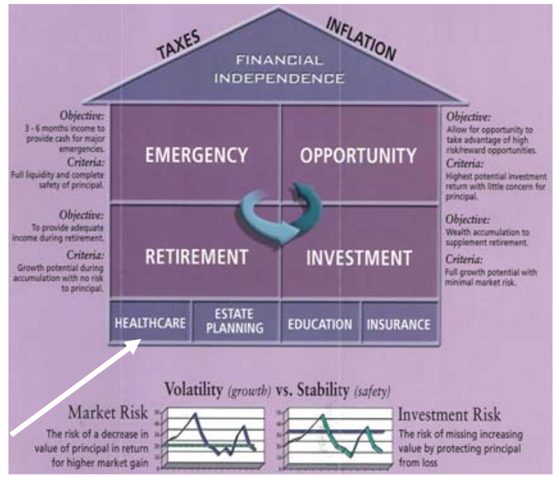
Medicare breaks down their programs into "parts".

Medicare supplement companies break down their products into "plans".

Each use the alphabet letters to try to confuse us all. I know it seems like a conspiracy against all of us seniors, but it really is not hard to understand if you talk to an experienced independent agent from MSA Marketing to get the "straight" facts.

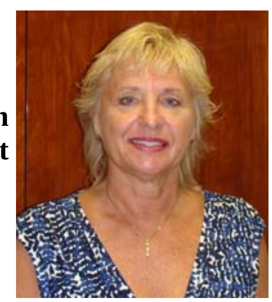
Medicare will be your insurance product which works like your current medical insurance and your Medicare supplement will pick up the costs Medicare does not pay like your deductibles, coinsurances etc. You will be covered much better than your health insurance for medically necessary claims and it will be affordable. See? Not so bad after all…

The annual enrollment period for "Medicare advantage products" is coming up Nov. 15. This only applies to Medicare Advantage Products, like PPO, HMO, PFFs and Prescription Part D programs (not supplements). **If you want to make a change or sign up between Nov 15 and Dec 31,** this is the right time to make the move. Otherwise you can sign up when you become eligible at 65 or when you come off of group insurance.



The best bit of wisdom I can give you in this short article is "always sign up for Part A and B when you become eligible to sign up for Medicare" and if you have not heard from Medicare by two months before your birth month of the year when you turn 65, call Social Security at your local office and make an appointment to sign up. This will save you a lot of pain and confusion when you want to find a product that supplements what Medicare does not pay.

Call our office if you would like to discuss or just ask a question regarding Medicare whether it be for you or a parent or friend. You will be hearing a lot of rumors about supplements in the upcoming 2010 year. Come to us to get the facts. Our door is always open and we are eager to provide you with information to make your life easier. Hope to see you soon.



Donna Blizman
MSA Medicare Specialist

Merry Christmas!

From

MSA

To

YOU!

Federal Student Loans Dropped to Historic Lows

On July 1, 2009, the new interest rate on Stafford Loans in repayment status is 2.48% down from 4.21%. The interest rate on in-school, grace, or deferment status Stafford Loans is 1.88%, down from 3.61%. And the new interest rate on PLUS Loans is 3.28%, down from 5.01%. These rates are in effect through June 30, 2010.

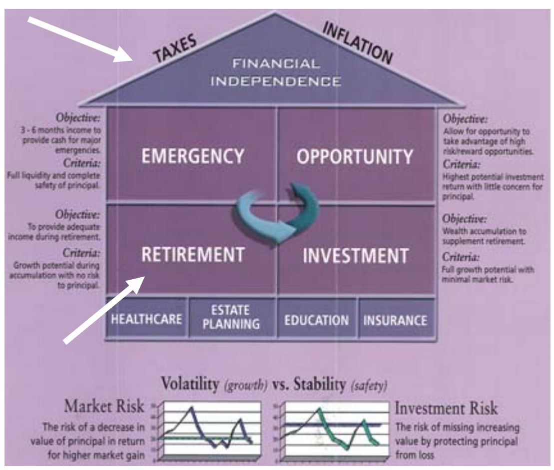
Borrowers who have graduated from school and are eligible to consolidate their loans should go through the Federal Direct Loan Consolidation program at www.loanconsolidation.eg.gov.

Taxes will ravage your portfolio ... Convert your traditional IRA's to Roth's in 2010

Taxes will ravage your retirement portfolio if your retirement is not tax sheltered. You need to call us. It's really just simple math. Income taxes are going up and if you have looked at a Roth IRA vs. a Traditional IRA or 401(k), at retirement the Roth has a pure retirement value because it's not taxed at retirement. Please talk with your accountant or tax advisor. Next year, as clients, regardless of the income, you will be eligible to convert your Traditional IRA's to Roth's over a two-year window. For more information on this, visit www.irsgov.com and search "Roth".

In 1982, IRA sales boomed thanks to a change in the tax law that made them accessible to the average taxpayer. In 2010, Roth IRA conversions likely will boom because the taxpayer income limit has been lifted.

Roth IRAs were created by the Taxpayer Relief Act of 1997, but due to income limits in the tax code, many high-income clients have not been able to take advantage of the opportunity to create tax-free income with Roth IRAs. In a few months, for the very first time, high-income clients will be able to convert the accumulated balances in their traditional IRAs to Roth IRAs and the more known about Roth IRAs, the more motivated you will be to make the conversion.



Many believe that the budgetary pressures faced by the federal and state governments may very well lead to increased income tax rates over time, so that we will actually be paying higher marginal income tax rates in retirement than we pay today.

On Jan. 1, 2010, income limit on Roth IRA conversions will be eliminated. That means that all those with high incomes can start converting the accumulated balances in their traditional IRAs to Roth IRAs.

A Roth IRA conversion usually makes sense if two major criteria are met.

1. Expectation of being in a higher marginal income tax bracket after retirement.

2. The client has sufficient other assets outside the traditional IRA to pay the taxes that will be created by the Roth IRA conversion.

Taking assets from the IRA to pay the taxes tends to defeat the purpose of making the conversion, so it makes sense to determine the timing and amount of the conversion based on the other assets available to pay the income taxes it will create. There will even be a special one-time opportunity to do the conversion in 2010 and spread the taxable income over two years, half in 2011 and half in 2012.

So, it also makes sense to look at taxable income each year so as to not end up in a higher marginal income tax bracket.

Right now, if your modified adjusted gross income is more than $100,000 you can't convert your traditional IRA to a Roth IRA. But because of HR 4297 (Tax Increase Prevention and Reconciliation Act of 2005, starting 2010, **all taxpayers will be allowed** to make a conversion. For **one year only** (2010), you can elect to defer from the conversion and report one half on your 2011 tax return and one half on your 2012 tax return.

TIPRA was signed into law by the President on May 17, 2006. One of the revenue raising provisions of TIPRA is the elimination of the eligibility rules for Roth IRA conversions. But, this provision is not effective until 2010.

Currently, a taxpayer with Modified Adjusted Gross Income (MAGI) over $100,000 or who has a tax filing status of Maried filing separate is not eligible to convert to a Roth IRA. Those restrictions disappear as of January 1, 2010 allowing anyone with an IRA the ability to convert it to a Roth IRA. In addition, under current law if you are eligible to convert, the conversion income is taxed in the year of the conversion. That too will change for 2010.

For conversions done in 2010 the income can be spread ratably over two years and included in income for 2011 and 2012. That is not a typo; you won't owe any tax in 2010 (the year of the conversion) and amounts converted in 2010 are not included in income until 2011 and 2012! That's like getting an interest free loan to build a tax-free savings account.

2001 Tax Law—EGTRRA 2001
(Economic Growth and Tax Relief Reconciliation Act of 2001)

On June 7, 2001 President Bush signed the 2001 tax act into law. As passed, the entire tax act contained a "sunset" provision that repeals the entire tax law in 2011. At that point the tax law would revert to what it was in 2001. Many of the tax provisions have been amended, eliminated or made permanent over the years just as the retirement provisions were made permanent by the Pension Protection Act.

Plan with Provisions That Are Most Likely to Occur

Due to the uncertainty in the tax law, estate and tax planning for IRAs and other retirement accounts should remain focused on the provisions that are likely to occur. For example, planning should not be based on the estate tax being repealed but instead it should be based on the increases in the federal estate tax exemption through 2009.

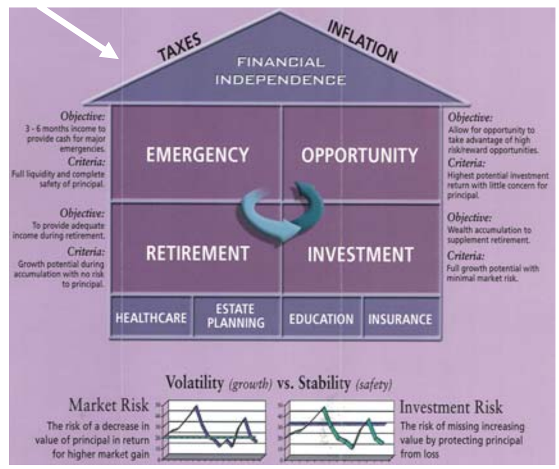
Estate Tax Phase-Out

The estate tax is repealed on January 1, 2010. It comes back to January 1, 2011, unless the repeal is extended by future legislation.

Year	**Estate Tax Exemption**	**Top Estate Tax (and GST Tax) Rate**
2001	$ 675,000	55% (prior law)
2002	1,000,000	50%
2003	1,000,000	49%
2004	1,500,000	48%
2005	1,500,000	47%
2006	2,000,000	46%
2007	2,000,000	45%
2008	2,000,000	45%
2009	3,500,000	45%
2010	Estate Tax is Repealed	-0-
2011	**It's Back!! $1,000,000**	55%

The Generation Skipping Transfer (GST) Tax will also be repealed in 2010. The gift tax however, is **NOT** repealed. The exemption for gift tax rose to $1 million in 2002 and stayed there even after the estate tax is repealed. The top gift tax rates will decrease the same as the estate tax rates above through 2009. Beginning in 2010, the gift tax rate remains fixed at 35% for transfer in excess of the $1 million gift tax exemption.

Beginning in 2011, when the estate tax is repealed, the decedent's estate will be limited to a step-up in basis of $1,300,000 and an additional $3,000,000 for property transferred to a surviving spouse. Assets to receive the step-up can be selected by the executor, but not all estate assets will qualify for a step-up in basis. For example, IRAs and similar property that is Income in Respect of a Decedent are not eligible for a step-up in basis.



It seems hard to believe, but it is in this issue of our newsletter that we wish you a Very Merry Christmas and a happy, safe and prosperous New Year!

Michele

Charma, Carol, Stan, Carlton, Loretta

URGENT Retirement Tips

When did you last check your beneficiary forms?

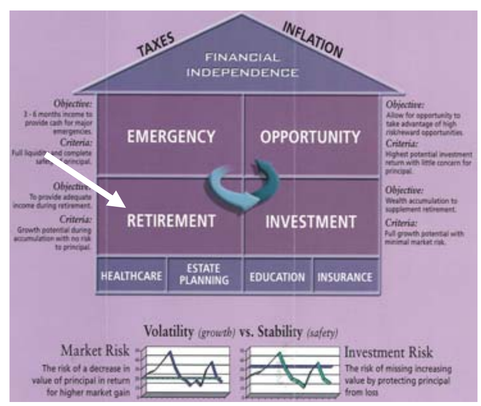
In a recent court battle (began in 2001, decided in 2009), Kari Kennedy lost a $402,000 inheritance because the beneficiary form did not name her as the beneficiary, even though that is what her father wanted. The United States Supreme Court **UNANIMOUSLY** ruled that the ex-spouse received the retirement plan money because she was named on the beneficiary form—even though she waived her rights to that money in a divorce decree.

The high court ruled that a company plan must pay the beneficiary named on the beneficiary form, even in light of contradictory signed agreements. The Supreme Court ruling is the law of the land and there are no more appeals on this. The beneficiary form controls who inherits the money and all of the Justices agree.

What is Rule 72?

The Magic of Compounding Interest to your Retirement Quadrant!

- If you take 72 divided by the interest rate reveals the length of time it will take for your money to double.
- This example belowis for a $10,000 investment:



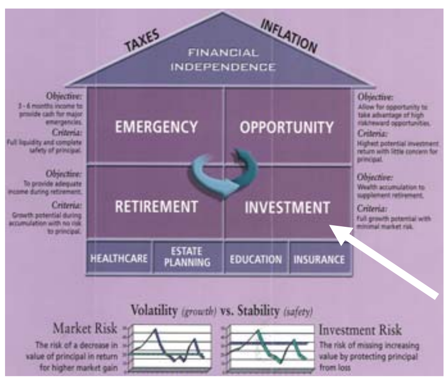
End of Year Values								
%	3	6	9	12	15	18	21	24
3%								$20K
6%				$20K				$40K
12%		$20K		$40K		$80K		$160K
24%	$20K	$40K	$80K	$160K	$320K	$640K	$1.28 Mil	$2.56 Mil

Be Certain You “Know That You Know”

By Russ Crooks

Over the past year the economy and financial markets have been turned up on their heads and then shaken for good measure. Most businesses have felt the turmoil through tight credit, lost business, lost income, and in too many cases closing their doors. In the current economic environment every step that can be taken to add to your bottom line becomes essential. So what can you do about it?

First, let’s understand that the opportunities for most businesses that existed in 2007 exist today. Nothing has changed from a client needs perspective. The paradigm of the marketplace has changed from “Everything goes up” to one of “Value and safety”. So many of the business practices that worked well in 2007, may not be responsive today – time for a change.



One area that you may want to take a closer look is your company’s 401(k) plan. It provides a valuable way to attract and keep good employees and helps reduce the tax bill. But, when was the last time you really looked at your plan? You may want to answer the following self-evaluation:

- *Are the reasons we set up the plan being met?*
- *Do our employees understand that this plan is a true benefit?*
- *What are we being billed each year for administrative charges?*
- *Does the plan discriminate against owners and highly compensated employees?*
- *If your plan allows a discretionary profit sharing contribution, does the plan provide for the last day of year employment requirement?*
- *Are you required to pay an additional fee for the preparation and filing of IRS required 5500?*
- *Is a written Fiduciary Warranty provided by your Third Party Administrator or product provider?*
- *Do you receive a written Annual Plan Review for your files?*

The answers to some of these questions may please you, while others may create doubt. In order to remove any doubts a complete plan review every 2 to 3 years is recommended. This process can result in one of several outcomes. The first outcome provides verification that your plan is meeting expectations at competitive pricing. The second may identify deficiencies or cost savings opportunities. Either way you know where you stand or “You know that you know”.

With the scramble for new clients, many providers are cutting or eliminating billable fees and reducing fund charges to enhance their competitive position. Along with formal written annual reviews, independent fund manager oversight, and employee information access; a written fiduciary warranty has become an important inclusion. In today’s market you are in the driver’s seat and frequently can create what you want for a competitive price.

So after you have answered those pesky questions and you’re not satisfied with some of the answers, then what? Schedule an appointment with an experienced, third party to conduct a comprehensive review. Call me so that this story doesn’t become your story: We recently performed a review for a South Florida company and found that they were being charged over $31,000 for plan administration, fund charges, and participant charges above what is commonly charged. This did not include the “hidden costs” of additional administration time that the dealership devoted to doing work to support an outdated plan. Imagine adding $31,000 to your bottom line.

If you haven’t had a complete plan review in the past 2 to 3 years now is the time. The Economic Growth and Tax Relief Reconciliation Act (EGTRA) has set a schedule that requires all qualified retirement plans to be restated every 5 years. You may have already received notice that your plan must be restated this year. Before paying that fee and restating your plan, now is the time to get a second opinion. Give us a call and request a complimentary review. Then you will “Know that you know”.

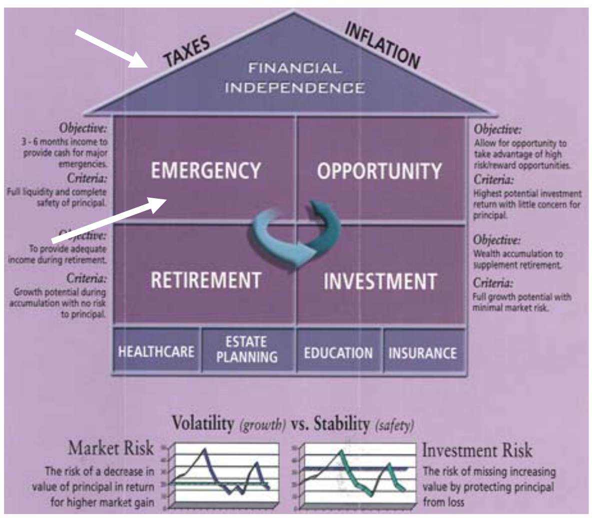
Russ Crooks career has spanned 30 years in financial services. He has focused upon qualified retirement plans that benefit both employers and their employees. This experience includes serving as a Regional Sales Manager for the Aetna Life and Annuity Company, Vice President of Qualified Plans Western Reserve Life, an AEGON USA company, as well as a pension consultant. While at AEGON he lead the team that designed a low cost, full service 401(k) plan designed specifically for small employers. In 2001 he founded a company dedicated to providing quality retirement plans and support to employers throughout Florida.

Health Savings Accounts

A Health Savings Account (HSA) is an account that you can put money into to save for future medical expenses. There are certain advantages to putting money into these accounts, including favorable tax treatment. HSAs were signed into law by President Bush in December 8, 2003.

Any adult may contribute to an HSA if they:

- Have coverage under an HSA-qualified "high deductible health plan" (HDHP)
- Have no other first-dollar medical coverage (other types of insurance like specific injury insurance or accident, disability, dental care, vision care, or long term care insurance are permitted).
- Are not enrolled in Medicare.
- Cannot be claimed as a dependent on someone else's tax return.



Contributions to your HSA can be made by you, your employer, or both. However, the total contributions are limited annually. If you make a contribution, you can deduct the contributions (even if you do not itemize deductions) when completing your federal income tax return.

Contributions to the account must stop once you are enrolled in Medicare. However, you can keep the money in your account and use it to pay for medical expenses tax-free.

2009 HSA Contribution Limits

H.S.A. contributions are based on your insurance coverage and age. For 2009 the limits are:

1. Single accounts (only one person covered on the health insurance policy) - $3000.00
2. Family accounts (multiple people covered on the health insurance policy) - $5,950.00
3. Additional contribution for account holders who attain age 55 by December 31, 2009—$1,000.00

Advantages of HSAs

Affordability: You should be able to lower your health insurance premiums by switching to health insurance coverage with a higher deductible.

Security: Your high deductible insurance and HSA protect you against high or unexpected medical bills.

Flexibility: You can use the funds in your account to pay for current medical expenses, including expenses that your insurance may not cover, or save the money in your account for future needs, such as:

- Health insurance or medical expenses if unemployed
- Medical expenses after retirement (before Medicare)
- Out-of-pocket expenses when covered by Medicare
- Long-term care expenses and insurance.

Savings: You can save the money in your account for future medical expenses and grow your account through investment earnings.,

Control: You make all the decisions about:

- How much money to put into the account
- Whether to save the account for future expenses or pay current medical expenses
- Which medical expenses to pay from the account
- Which company will hold the account
- Whether to invest any of the money in the account
- Which investments to make

Portability: Accounts are completely portable, meaning you can keep the HSA even if you:

- Change jobs
- Change your medical coverage
- Become unemployed
- Move to another state
- Change your marital status

Ownership: Funds remain in the account from year to year, just like an IRA. There are no "use it or lose it" rules for HSAs.

Tax Savings: An HSA provides you triple tax savings:

1. Tax deductions when you contribute to your accounts;
2. Tax-free earnings through investment; and,
3. Tax-free withdrawals for qualified medical expenses.

Is your HSA in place? If not, call your team at MSA for assistance in this and all your medical and life insurance needs.

Legislative Corner

Socialized Medicine or Socialized America?

What's happening in Florida: This upcoming October 12, as the Legislative Chair for the Sarasota Gulf Coast Health Underwriters **(www.gchu.org),** I will be hosting a Legislative panel discussion with our Florida Representatives in Sarasota at the Bonefish Grill. At this time, participating from the House are: Rep. Ronald Reagan and Rep. Bill Galvano. From the Senate, Senator Nancy Dieter. Both Rep. Keith Fitzgerald and Rep. Doug Holder are not able to attend due to schedule conflicts. There will be many of the local Sarasota and Bradenton Insurance Agents there to represent Floridians. Our Florida Congressmen have been facilitating their own events through "town hall meetings" so they were not available to participate. To be your voice, our goal was to visit with each Florida Representative and Senator before the session opened in November. Obviously, Florida will be affected in many ways if a national insurance platform is to be "pushed through" not only because we are one of the few states in the union that are pre-set up for the "exchange", but also because we have a large number of seniors in this state who will be affected by the $600 billion proposed Medicare cuts suggested by Obama. Note: Medicare is funded with Federal dollars but Medicaid is funded with State dollars which obviously will mean "more Taxes for Floridians". This last year our Legislators spent the majority of their time on balancing an already strained Florida budget, therefore many other important items were put on the back burner. Let's face it after watching California go broke, Florida politicians are not interested in causing Floridians to experience the same. Our two talking points are at this event specifically are "How does National HealthCare Reform affect Florida's budget? and "How would Florida present paying for it?"

On a national level, the bottom line is: Democrats, Republicans, Independents? Who cares? The most important thing for us in America to remember is we are ALL AMERICANS! America is wanting to be heard and at this stage of the game it is imperative for all of us to speak our mind. Call your Congressman or Congresswoman. E-mail or write to them. You can go to **www.house.gov/zip/ZIP2Rep.html** to find out who represents you in your zip code. They want and need to hear from you! We don't want to be a socialistic country nor do we want to put a band aid on something that will later appear as an organ transplant. As of this writing, The **House** has created three committees responsible over House Bill 3200 to work on the mark-ups. They are currently back in session and this bill is expected to see floor action in October. The **Senate** bill was proposed on July 15 and is in mark-up right now. The Senate Finance Committee has already had over 600 amendments to the bill and is expected to see Senate floor action by the end of the year. As of the writing of this article, **it is expected that something** will pass by year end.

America, Beware of what is to come. I would highly recommend you get involved and call your Representatives and also take a moment to write or e-mail them your concerns about any socialized system. Healthcare is just the beginning. Are we going to continue to allow the government to mandate us?? That's socialism!!

To find letters in support of **FREEDOM**, you can visit **www.NAHU.org** by clicking on **"Operation Shout"** where all you have to do is put in your zip code to get to the letter section.

Why is this important? Because to be politically correct, politicians should not vote against their constituents without written proof that their voting public would no longer vote for them if they didn't listen.

Remember the old show, "School House Rock?" Well, it should still be taught in our schools and throughout America and maybe we'd not be here right now.

I visit NAHU daily for updates and weekly respond to Operation Shout. This website is a non-partisan resource of truth where healthcare reform is concerned.

Take action, my friends. The time is now!

You can see a weekly and daily report of what is going on in Washington from a non-political perspective at www.nahu.org. For those of you who would like us to put you on MSA's electronic e-mail list to receive Washington Congressional "take action" e-mails, please call the office and speak with my staff at 941-753-0031. to let us know your e-mail and that you would like to be on the list. We can then send out the "take action" e-mails, typically on Friday's.

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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 life-styles 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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