



LPL Financial
Eric Wasson, CFP®
CERTIFIED FINANCIAL PLANNER™



W. T. Purkiser was quoted as saying "Not what we say about our blessings, but how we use them, is the true measure of our thanksgiving." May your Thanksgiving be filled with peace, love, and harmony!

I would like to thank everyone who submitted answers to our question last month. The winner of the drawing for the October newsletter question is (not drawn yet). Congratulations, xx!

This month's drawing will be for a \$25 gift certificate to The Christmas Dove in Barrington.

For 40 years, The Christmas Dove has been the leading and largest Christmas gift and Christmas collectible store in New England. For more information click [HERE](#).

And the question is...

What is the advantage of attaching a rider to a whole life policy for an employee?

[Click here](#) to submit your answer by email. Good luck!



www.aztecfcg.com
(603) 343-4515
eric.wasson@lpl.com

In This Issue

Interesting Facts!

Local Events!

'Tis the Season...to Control Holiday Spending

Year-End Tax Tips-Start Early

Key Person Insurance: Cash, When It's Needed Most

Interesting Facts!

In Turkey in 1963, a man who was renovating his home discovered a mysterious underground room. He soon realized it led to a tunnel and more underground rooms. What he had discovered was the underground city of Derinkuyu. Although theories abound, no one really knows who built it or why. It goes 280 feet into the ground, contains thirteen stories and can fit roughly 20,000 individuals. It contains wineries, storage space, living quarters and even stables for keeping livestock, as well as a ventilation system consisting of more than 15,000 shafts to disburse air throughout the city.

Local Events!

Holiday Craft Fairs: Various times and dates. For a listing of holiday crafts fairs click [HERE](#).

NH Annual Open Doors: A Statewide Shopping & Touring Event: November 8th and 9th, various times and locations. For more information on this event to highlight local business click [HERE](#).

Story Time at the Blue Ocean Discovery Center: November 14th At 10:30 am. For information on this and other events at the Blue Ocean Discovery Center click [HERE](#).

Rock with the Docs: Friday, November 14th, 7:00 pm at Rivermill in Dover. Hosted by Garrison Family Dental to benefit Goodwin Community Health. For more information click [HERE](#).

6th Annual Pizzafest: Saturday, November 15th from 4:00 to 7:30 at the Children's Museum of NH. For more information click [HERE](#).

These websites are provided to you for informational purposes. We are not responsible for the website content

'Tis the Season...to Control Holiday Spending



Each year, the advertisements seem to start earlier than the last: The holiday season is right around the corner! How can you avoid the pressure to overspend, while retaining the pleasure of gift-giving with family and friends?

The answer lies in planning ahead. Start by making a list of those for whom you want to buy gifts. Include at least one gift idea for each person and a general idea of where to find the gift. Try to avoid making decisions while you're in the store- impulse purchases often cost more than you planned to spend.

Next, set an overall limit on the number and cost of gifts. Finally, estimate the cost of your proposed purchases and make adjustments until your total expenditures fit your holiday budget.

Shopping Strategies

Prevent overextending yourself with the following tips:

1. Shop early in the season, especially at off-peak hours and during sales. This prevents last-minute panic purchases made in crowded stores.
2. Layaway plans offered by many stores may provide some interest-free "credit" for holiday purchases.
3. Payment by cash or check can help you shop within your means and prevent credit card surprises.
4. A name exchange or grab bag among friends and family members-with an agreement on dollar limits-eliminates the pressure of buying too many gifts.
5. Pooling funds with friends and family members to buy something special for one person can turn an expensive idea into an affordable gift.
6. Discount stores can be a paradise for "stocking stuffers."
7. Keep an envelope or folder for receipts and sales slips of all purchases and their recipients. This can expedite any necessary returns after the holidays.
8. Be creative in making gifts and cards. Personal, hand-made gifts are often more special than the store-bought variety.

Be organized this year before the holidays arrive. You can discover the satisfaction of getting the most value for your dollar, leaving you free to enjoy a stress-free holiday season.

Copyright © 2014 Liberty Publishing, Inc. All Rights Reserved.
PFBB043-AS

Year-End Tax Tips-Start Early



As you manage your taxes at year-end, one important, constant goal should be to reduce your adjusted gross income (AGI), which equals your gross income (salary, investment earnings, etc.) less your allowable deductions and exemptions. Maximizing your deductions and exemptions, as well as taking advantage of any tax credits available to you, is a great way to start thinking about saving money on your next tax bill.

Maximize your 401(k). A 401(k) plan has a maximum contribution amount, which limits your annual contribution. However, if your contributions have fallen short for the year, some plans will allow you to "catch up" at year-end. Not only can this help you save on taxable income, but also if your employer matches a portion of your contributions, then you will benefit in two ways.

Individual Retirement Accounts (IRAs). You may invest in your IRA for tax year 2014 until the tax filing deadline in 2014. Contributions are limited to \$5,500.

Charitable donations. If you are considering giving a cash donation to a charity during the 2014 tax year, you must give it or mail it by December 31. You will be eligible for the deduction as long as the donation was made by the end of the year. Appreciated stocks that you have owned for over a year can also be donated to charity. If you do so, you will not owe taxes on the appreciation, and you will be entitled to deduct the expense of the stock from your taxes. If you wish to maintain ownership, the charity may be able to assist you in buying new shares.

Devalued stock. If you own stock that has lost value, you may be able to claim a capital loss. However, the Internal Revenue Service (IRS) has specific rules for what may qualify as a loss. Deductible losses can equalize any realized gains and up to \$3,000 of income.

Charge it. Any year-end deductible expenses, such as those for unreimbursed business-related expenses, can be charged to a credit card. According to the IRS, you are allowed to deduct expenses that occurred within the taxable year, which means that you can take advantage of the deduction this year and, if need be, pay off the card next year. Many charities also accept donations by credit card, which would further your ability to make a tax-deductible charitable donation.

Prepay. If the alternative minimum tax (AMT) does not apply to you, and you are sure that your tax bracket has remained the same, consider prepaying your state and local taxes. Prepaying these taxes before the end of the year will enable you to claim a credit on the amount when you file.

You have until December 31 to get a head start on year-end planning. If you plan to itemize your deductions, then fulfill your promise to yourself and take action. Following these year-end deduction tips can benefit a charity or your retirement savings, while making your taxes a little less taxing.

Copyright © 2014 Liberty Publishing, Inc. All Rights Reserved.
TXGTPYE0-AS

Key Person Insurance: Cash, When It's Needed Most



If the ongoing success of your business depends on one or more key individuals, insurance may prove helpful. The death or disability of a key person—such as an owner or manager who brings in customers—can result in difficult times for your business. Even in the midst of such troubling circumstances, there will be no grace period: Cash flow must continue, and customers may need reassurance that your goods and services will continue to be available. The dual responsibilities of buying out the key person's shares or interest in the company and finding and training a new executive may also prove challenging.

Short-Term Remedy

Key person insurance—term or permanent life insurance that makes the business the owner, premium payer, and beneficiary of the policy—may help provide the funds needed to accomplish tasks that will require immediate attention, such as dealing with creditors who are concerned about the repayment of outstanding loans and debts during a time of transition.

Long-Term Strategy

If you have investors, they, like creditors, may be worried if your company loses an important executive. In fact, they may require that key people be insured as part of a comprehensive business continuation plan for your company.

Without such a plan, a healthy balance sheet is only a stopgap measure. Keep in mind that insurers may also want to see a plan before issuing a policy on a key person. As with any life insurance product, issuing the policy will be dependent on the insurability of the individual. The individual's age, physical condition, and medical history will help to determine the cost of premiums.

Purchasing the right amount of insurance may depend on how much the key person contributes to the company's revenue flow. If that figure is difficult to determine, another starting point could be his or her annual salary.

The "Muscle" Behind Buy-Sell

If the primary purpose of the policy is to fund a **buy-sell agreement**, as opposed to meeting ongoing expenses, then the amount of insurance will be equal to the portion of the business's total value as stated in the agreement. Life insurance provides muscle to the buy-sell agreement. Without such a resource, taking on personal debt may be the only option to buy out the key person's survivors.

If the insurance is purchased to accomplish both purposes-fund the buy-sell agreement and pay current operating expenses-the amount of insurance needed may be considerably higher.

A Policy with "Legs"

Attaching a **rider** to a **whole life policy** will allow your company to change the insured's name if the key person leaves the company or retires. If it's time for retirement, the policy can be kept in force by the company and offered to the key person as part of a retirement package. There could, however, be tax consequences. Generally, insurance premiums are nontaxable to the insured if the policy is purchased for the benefit of the business and the insured has no interest in the policy. However, if any proceeds from the policy are paid to the employee or his or her beneficiary, they could be considered taxable income.

Although most business executives will typically weigh the value of term versus permanent life policies in determining their key person insurance needs, another protective option for businesses is **disability income insurance (DI)**. Key person disability income insurance will pay a monthly benefit that's determined by the key employee's pre-disability earned income. The monthly DI benefit can then be used

for the same business purposes as the term or permanent life policies, such as providing revenue to hire and train a replacement or to strengthen the company's cash flow.

No matter what the insurance vehicle, key person insurance for a valued business partner, executive, or employee may be an ideal way to realistically assess and acknowledge the value of his or her contribution to the success of your business.

Copyright © 2014 Liberty Publishing, Inc. All Rights Reserved.
BNLKPI01-AS

The information in this newsletter is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

The information contained in this newsletter e-mail message is being transmitted to and is intended for the use of only the individual(s) to whom it is addressed. If the reader of this message is not the intended recipient, you are hereby advised that any dissemination, distribution or copying of this message is strictly prohibited. If you have received this message in error, please immediately delete

The copyright protected articles were prepared by Liberty Publishing.

660 Central Avenue, Dover, NH 03820
Phone: (603) 343-4515 Fax: (603) 343-1863
Email: eric.wasson@lpl.com

Securities and Advisory Services offered through LPL Financial, A Registered Investment Advisor,
Member FINRA/SIPC

Eric Wasson, CFP®
LPL Financial

(603) 343-4515



Eric.Wasson@LPL.Com

<http://www.aztecfg.com>

[Forward email](#)

 **SafeUnsubscribe**

This email was sent to eric.wasson@lpl.com by eric.wasson@lpl.com |
[Update Profile/Email Address](#) | Rapid removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).



Try it FREE today.

LPL Financial | 660 Central Ave. | Dover | NH | 03820