



Are You Paying Too Much In Taxes?

Whatever your investment strategy or investment goals, minimizing taxes is often a top priority. There are numerous tax efficient or tax deferred investments and strategies from which to choose to lower your taxable income.

Contributing to a company sponsored retirement plan at work is the most notable, however many may not have that option. Opening a Traditional, Simple, SEP IRA or Individual 401(k) may be a solution if you do not have the opportunity to participate in a company sponsored plan. Deferring income tax on capital gains and or dividends can be accomplished by using Deferred Annuities. Municipal Bonds will pay dividends that are exempt from federal income tax and sometimes both federal and state income tax. Are you saving for a child's or grandchild's education? If so, there are options such as a 529 plan or education IRA that may defer and could eliminate tax.

People often measure their investment success on their investment's return. You should always take it one step further and calculate your return on the investment after taxes have been paid. If you feel you are paying too much tax it is likely that there are tax efficient investment strategies that will lower your taxes and increase the return on your investments. If you like would like a free review of your current investments to see if there are any tax smart solutions that could work for you, call Sylvia Financial at 508-995-4080.

Registry of Motor Vehicles Website Scam

The Registry of Motor Vehicles uncovered an on-line scam which charges customers fraudulent fees to conduct RMV business. These websites are typically accessed by customers through on-line search engines. By searching for the RMV websites, customers may find links to the spoof sites in the search results - sometimes in prominent locations. The sites require customers to enter a credit card number and pay a fee in order to conduct RMV business. Once the site collects a customer's credit card information, it forwards the customer to the official RMV web site.

Be aware that the RMV does not charge a fee for access to their site or access to any on-line transaction. To access the official RMV web site, you need to enter www.mass.gov/rmv directly in the address line of your browser.

Getting Married?

You have always dreamed of planning the perfect wedding, but no matter how carefully you plan it, there are many things than can go wrong - things that are beyond your control.

A wedding is an investment, and with the average cost of weddings now being \$27,000, wedding insurance is needed more than ever. For as little as \$160, your wedding insurance policy can cover a variety of situations, such as lost deposits, lost rings, severe weather, ruined photos, sudden illness and call to duty.

For more information, contact your Sylvia Group customer service representative at (508) 995-4553.

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Pros and Cons of Annuities

An annuity is a contract offered by insurance companies which allows you to save funds for retirement on a tax-favored basis and then, if you choose, receive a guaranteed income payable for life or for a certain period such as five or ten years. Annuities come in all shapes and sizes and can be very appropriate for some and very inappropriate for others. Below is a brief list of Pros and Cons:

Pros

Principal Guarantees: Because an annuity is an insurance contract, an annuity carries guarantees backed by the insurance company. These promises are different from contract to contract but will generally come in the form of the insurance company guaranteeing you and or your beneficiary a return of your principle in full or in payments over several years. Depending on the type of annuity, in addition to guaranteeing safety of your principal, your contract also may include a guaranteed rate of return or a guarantee of a certain payout over a period of time.

Tax Deferral: You may contribute after-tax funds to a deferred annuity contract and defer paying taxes on any gains in account value until the funds are withdrawn. You should remember, however, that you must withdraw taxable amounts first, before you can withdraw your principal, and any taxable amounts are treated as ordinary income

Probate Avoidance: By designating a beneficiary (or beneficiaries) to receive the contents of the annuity account at your death, you can direct the proceeds to be paid to your heir(s) without the delay and cost of probate.

Cons

Restrictions on Investment and Withdrawal Activity: The IRS imposes penalties on certain withdrawals taken before age 59 1/2 and mandates the withdrawal of gains before principal. Insurance companies often impose substantial penalties on withdrawals taken within the first 5 to 10 years of investment. There are also restrictions on the securities in which investments can be made and the frequency with which you may make changes.

Costs: Costs can vary widely, but typically include the expenses associated with managing the investments within the account, the costs of administering the account and a charge to cover the insurance component of the contract (death and living benefits). These costs directly reduce the growth of your investment in the contract.

The list above is just a few of the factors to consider when purchasing an annuity. If you have, or are considering purchasing any type of annuity contract, make sure that you understand it fully. Remember it is your money, not your advisor's. For a free review of your current investments call Sylvia Financial at 508-995-4080

Do You Need Disability Insurance?

What if your last payday was your *last* payday? If there wasn't another one coming, how long could you support your family with no income? A year? A month? A week?

What if you become sick or hurt and are unable to work? Will you be able to focus on getting healthy or worry about finding money to support your family, pay for your home, car, food, and other monthly expenses?

When a disability strikes, your income stops but your bills do not. As you are planning your summer projects, don't forget that a majority of disabilities occur at home and not at work. Protect your paycheck with disability insurance. Call our office for more information.

Massachusetts Health Care Reform Update

The Connector is now “Open for Business” ... what does that mean to you?

If you have a business with 11 or more employees, we encourage you to call our office to reserve a seat at our upcoming Health Care Reform Workshop on **Tuesday, June 12th at 8:00 - 9:30**. We are here to help you meet your responsibilities under the new health care reform law, determine if you are subject to the assessment fee, as well as assist you in completing the new HIRD forms. We can explain all your options and help you decide whether it makes sense to purchase insurance through the Connector or directly from an insurance carrier. We can also assist you in educating both full and part-time employees of their options and responsibilities under the new law.

Employers with 10 or fewer employees are also encouraged to call our office. While the new law does not require that you offer health insurance, the individual mandate that all residents have health insurance means that your employees will look to you for guidance. We stand ready to help our valued clients navigate the new health care requirements in Massachusetts. The law requires that all residents of Massachusetts have health insurance coverage starting July 1, 2007.

What To Do If Your Wallet Is Stolen

A lost or stolen wallet is a frightening thing. With the growing amount of identity theft crimes, it is more important than ever to protect yourself. Below are some tips adapted from the Registry of Motor Vehicles.

- 1. Make Copies:** Photocopy the contents of your wallet. Be sure to copy the front and back of any double-sided items. (Credit cards, license, etc.) Make sure your account numbers and the customer service telephone numbers are legible. Store the copies in a secure place that you can get to quickly in the event of a loss.
- 2. Be Selective:** Carry only what you need in your wallet. Do not carry items such as your birth certificate or social security card except when they are specifically needed. These items are exactly what an identity thief is looking for. Store them safely elsewhere.
- 3. Know What To Do:** If your wallet is stolen, immediately cancel your credit cards and notify your bank. Make note of the date and time and ask the person you are speaking with to fax you a confirmation of the report. If needed, this can serve as proof that you took all responsible steps to minimize the loss.
- 4. File A Report:** File a police report in the jurisdiction where it was stolen. That marks the date and time for credit card investigators.
- 5. Place A Fraud Alert:** Call the three national credit reporting organizations to place a fraud alert on your name and social security number. Equifax (www.equifax.com or 1-888-766-0008), Experian (www.experian.com or 1-888-397-3742), TransUnion (www.transunion.com or 1-800-680-7289).
- 6. Be Informed:** There is vast information on how to survive identify theft and how to protect yourself. The MA Office of Consumer Affairs features helpful information on their website: www.mass.gov/oca. The Federal Trade Commission has dedicated an entire site to help you understand and prevent this crime: www.ftc.gov/bcp/edu/microsites/idtheft.
- 7. Protect Yourself In Advance:** Talk with your advisor at the Sylvia Group regarding Identity Theft Insurance.

Long Term Care

According to a 2006 survey completed by MetLife Mature Market Institute, the average cost of home health care in Massachusetts is \$240 per day (\$24 per hour). The average annual cost of staying in an Assisted Living Facility is \$32,000-\$70,000. The average annual cost of semi-private nursing home stay is \$91,000 - \$102,000.

With greater than a 50% chance that you will need long term care at some point in your life, this is a huge financial burden that must be considered in any retirement planning.

If you are approaching the time in your life when you want to start enjoying the ‘fruits of your labor’, shouldn’t you be discussing how to protect your retirement from being depleted by a chronic illness or disability?

Please contact our Financial Services & Benefits Department if you would like to discuss ways to protect your assets and help maintain your quality of life if a long term care need arises.

Workers Comp 101

- Did you know that Executive Officers can exempt themselves from carrying Workers Compensation in Massachusetts?
- Did you know a sole proprietor can now purchase Workers Compensation to protect themselves? This is an excellent way for self-employed individuals to protect themselves from a workplace injury.
- Did you know that a member of an LLC is automatically excluded from Workers Compensation unless they elect, in writing, to cover themselves?
- Did you know that all employers must carry Workers Compensation for their employees regardless of hours worked or job descriptions?
- Did you know that an executive officer’s payroll is limited to \$52,000?

To discuss these or other important points, contact us at (508) 995-4553.

Leaving The Country?

Leaving your home country for any length of time exposes you to the exciting challenge of international living. The last thing you need to feel during your stay abroad is any uncertainty in the quality of your medical coverage.

If something goes wrong, you want immediate access to on-site medical professionals that can coordinate all aspects of an evacuation, and cover expenses that could cost you up to \$100,000 or more. International health insurance medical coverage makes sense, even if you have great coverage at home:

- Most US based health plans are not set up to handle claims and emergency phone calls from around the world, and coverage is often limited to 30 or 60 days outside the country.
- HMO and PPO plans may impose severe out-of-network penalties for treatment received in another country.
- Medicare generally does not cover any claims incurred outside the United States.
- National health plans of most countries will not pay claims incurred in the USA.
- US visa eligibility may be dependent on showing proof of adequate health insurance coverage while you are in the States.

Please call Rose Soares at (508) 742-9230 to find out more about International Medical insurance.

Financial Fitness Fair, June 12th

Are You Financially Fit?

The Sylvania Group is pleased to offer you the opportunity to find out at our Financial Fitness Fair

- **Receive information on Financial Planning, Estate Planning, Long Term Care options, Home & Auto Insurance, Individual Health Insurance, and more**
- **Attend one or all of our informational seminars hosted by local industry experts**
- **Schedule your free “Financial Physical”**

Tuesday, June 12th

Seminar Schedule

2:00 - Test Your Financial Fitness

3:00 - Estate Planning

4:00 - The ABC's of LTC

(Long Term Care Insurance)

5:00 - Test Your Financial Fitness

6:00 - Estate Planning

You may register for any one or all three of the seminars (two are repeated)

To Register, Contact Kristine Arsenault at (508) 742-9241



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