

# FPA.

FINANCIAL PLANNING ASSOCIATION  
OF THE GOLD COAST

*The Heart of Financial Planning™*



## President's Message

Hold on to your socks, members! In November we will be offering the last ever double dipping meeting for compliance and here's the best part. Not only can you receive 3 hours of CE credit for CFP® but also for Florida State Insurance Senior Suitability. The CFP board has ruled that in the future, this "double dipping" will not be allowed so this is your chance! Mark your calendars for November 16 from 3 - 6 PM. You will also be able to invite friends and other professionals to attend who also need some or all of these credits. If they are not FPA members, they will pay more than you do, but that's one of your benefits.

Also mark your calendar for our September 21st from 3 - 6 PM meeting at the Marriott W Palm Beach where we will enjoy 2 dynamic speakers addressing (1) how to avoid the pitfalls of precious metals and the forecast for the economy, banking fixed investments and equities. Don't miss this.

The Marine's look for a few good men. We of the FPA of the Gold Coast are excited about our direction as we move forward and are looking for men AND women who would like to be part of that. We love to hear about people who are interested in giving a little time and a lot of good ideas.

So we aren't just looking for people. We are looking for the ideas of those very special people that can help us grow and to become an even better organization. Could you be on a committee? Would you like to become a member of the board of directors? In both cases, you will enjoy the opportunity to build even stronger friendships with other like-minded people.

July-September 2011

## Articles

[Member Spotlight](#)

[Zero Tax on Capital Gains?](#)

[SIPC®, FDIC and EDIE the Estimator](#)

## September Meeting

September 21, 2011

### TOPIC 1

Precious Metals  
Avoid the Pitfalls  
Understand the Facts

Speaker:

John Fisher

Fisher Precious Metals

### TOPIC 2

America's Financial  
Institutions:  
What Happened?  
What Next?

Speaker:

Dave H. Ellison

FBR Fund Advisers, Inc.

Meeting Sponsored  
by

If you would like to find out more about any of our wonderful opportunities, contact Judy Benbow at either a quarterly meeting or [jgbenbow@comerica.com](mailto:jgbenbow@comerica.com). See you at the September meeting!

Judy Benbow, CFP®, MSFS, MSM

### Member Spotlight - Kasia Marczyk, CRPC, CFP®

She is a true inspiration and an example of the "American Dream". She was born and raised in Poland and came to the United States to pursue a college degree with very little resources at a tender age of 18. She spoke very little English and early on had to rely on herself to find a way to get a decent American education while mastering the local language. She preserved and completed a degree at Rutgers University and went on to enter the financial services arena. She obtained her licenses and then transferred to Florida working at Ameriprise Financial for 4 years. Kasia then wanted to have more flexibility and independence which led her to open up her own business a year ago. She has a solid client base and flourishing practice, which is continually growing through referrals. She did get her CFP® mark 2 years back and has also accepted to be on our Board of Directors as a Membership Director. She is very passionate about financial planning and giving back to the community.

She also made a great impression at the annual National FPA leadership conference with all her enthusiasm and ideas.

By Rubina K. Hossain, CFP®

### Do You Qualify for Zero Tax on Capital Gains?

#### ZERO TAX ON CAPITAL GAINS: DO YOU HAVE CLIENTS THAT MAY QUALIFY?

- Do you have retired clients, filing married filing joint, who may have taxable income below \$69,000?
- Do you have individual clients, who may have lost their job, and will have marginal taxable income?
- Do you have business clients, who because of the recession or large write-offs will have marginal taxable income?

In an era of commoditization of services, show your clients your "value added" by being proactive and having the following discussion with them.



[www.joinameriprise.com](http://www.joinameriprise.com)

**REGISTER NOW...**  
[CLICK HERE!](#)

### November Meeting

November 16, 2011

**TOPIC**  
Ethics & Senior Suitability

**Speaker:**  
Steven A. Hurst, CFP®  
MetLife®

#### **IMPORTANT - PLEASE READ**

This will be the last year you can receive **BOTH** Senior Suitability for Florida Insurance and CFP® Ethics in one 3-hour session!

Meeting Sponsored  
by



[www.americancentury.com](http://www.americancentury.com)

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For Additional Information  
of the FPA of the Gold  
Coast, Please Visit:

## DO YOU QUALIFY FOR ZERO TAX ON CAPITAL GAINS?

[www.fpagoldcoast.org](http://www.fpagoldcoast.org)

Following the market decline of 2008-09, most of us did not have any trouble locating losses in our clients' portfolios. With the markets now up sharply from those lows, and some of our clients worried about the economy and the market, and wanting to lock in those gains **think about selling some of the appreciated investments this year and next. This strategy is called tax *gain* harvesting.**

With all the publicity about the Bush tax cuts, and increased taxes on those taxpayers making more than \$250,000, what was forgotten was the Bush tax cut provision that provided for 0% capital gains tax. As originally designed, this break was aimed at taxpayers in the 10% and 15% tax brackets, and applied to long-term capital gains and qualified dividend income. For 2011, this will affect single individuals with income up to \$34,500 and couples filing jointly with income up to \$69,000.

The above figures refer to taxable income, and couples and individuals could have gross income (including tax-exempt income) substantially higher than this and still qualify for the 0% rate on capital gains once they have applied deductions and other adjustments.

### Married Filing Jointly 2011 Tax Brackets

Taxable Income	Marginal Tax Rate:
\$0 - \$17,000	10%
\$17,000 - \$69,000	15%

Source: IRS

### Single Individuals 2011 Tax Brackets

Taxable Income	Marginal Tax Rate:
\$0 - \$8,500	10%
\$8,500 - \$34,500	15%

Source: IRS

**Second Chance:** As part of the 2010 Tax Relief Act, the 0% rate was extended for another two years (through the end of 2012), so if you missed this opportunity the first time, you have another chance now.

Even if you exceed the taxable income levels, you still could get some "Zero % Gains."

**A Big Welcome to  
Our New Members  
May-July 2011**

Suzanne Holmes, CFP®

For example: suppose a married couple had \$90,000 of taxable income, including \$60,000 of long term capital gain; taxable income without the gain would be \$30,000. Since the "zero rate" is capped out at \$69,000, the 0% rate would apply to \$39,000 of the capital gain, (those gains from \$30-\$69,000) and the remainder would be subject to the max rate of 15%.

It should be noted that the "Zero Percent Tax" also applies to qualified dividend income. With interest rates at historically low rates, now may be a good time to be recommending name brand companies, whose dividend yields exceed their bond yields. This strategy makes even more sense when comparing the after tax cash flow from "qualified dividends, whereby some or all of the dividend income may be subject to "zero percent tax."

**In an era of commoditization of services, show your clients your "value added" by being proactive and having the above discussion with them.**

Barry Rabinowitz, CFP®, MBA, EA, IAR

### **SIPC®, FDIC and EDIE the Estimator**

In an age of growing institutional failures, clients are concerned about whether or not their funds are safe. It is our fiduciary responsibility to know and discuss SIPC® and FDIC coverage with clients and advise accordingly if accounts exceed limits.

SIPC® or Securities Investor Protection Corporation is a nonprofit membership corporation funded by its member security broker-dealers. SIPC® does not insure against fraud or inherent market risk. The primary purpose of SIPC® is to replace client investments lost due to financially troubled or bankrupt brokerage firms. And

Laurence Montello,  
CFP®, CLU®

Jason R. Page

## **2011 Board of Directors**

### **Executive Board**

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CFP®, MSFS, MSM  
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Rubina K. Hossain, CFP®  
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CFP®, EA, MBA  
Treasurer/Secretary

Leslie A. McCullough,  
CFP®, CTFA  
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Barry Rabinowitz,  
CFP®, MBA, EA, IAR  
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David Bollis, CFP®  
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Wayne Green, CFP®  
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John Jacupke, CFP®  
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Kasia A. Marczyk,  
CRPC, CFP®  
Membership

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they are pretty good at it. According to the SIPC® website, from 1970 (when the SIPC® was created) through December 2010, 99% of clients have been made whole on covered assets. SIPC® will protect up to \$500,000 per customer (including a maximum of \$250,000 for cash claims) for securities lost due to a financially troubled or bankrupt SIPC® member. If the SEC terminates a SIPC® member's registration, the SIPC® coverage is automatically terminated. SIPC® can not protect customers beyond 180 days after a firm's termination. One reason why the SIPC® can not insure against fraud or bad investments is the limited reserve they maintain to pay out losses. Their website notes that the reserve is approximately \$1 billion. Experts estimate the annual US Investment fraud to range from \$10-\$40 billion with another \$1 billion categorized as Microcap stock fraud. Additionally, there are certain investments and investors that are not covered by SIPC®. For example, investment contracts such as limited partnerships or general partners, officers or directors of the failed firm are not covered under SIPC®. It is important for clients to understand that SIPC® is not FDIC insurance for investments. A client friendly "Plain English" brochure can be found on [www.SIPC.org](http://www.SIPC.org).

FDIC or Federal Deposit Insurance Corporation is very different than SIPC®. The mission and purpose of the FDIC, an independent agency of the US Government, is to maintain stability of the nation's banking system. Each depositor is insured up to \$250,000 per insured bank for each account ownership category. According to the FDIC website, no depositor has ever lost a penny of FDIC-insured funds since the FDIC was created 1933. FDIC covers all deposit accounts, money markets and Certificates of Deposits. Clients should be reminded the FDIC does not cover stocks, bonds, mutual funds, life insurance or annuities, even if sold at a FDIC insured institution where the client may own deposit accounts.

EDIE the Estimator is an interactive tool that enables the advisor and/ or the client to enter all of their personal and business bank accounts and print a report illustrating FDIC coverage. If the account household total is less than \$250,000, there is probably sufficient coverage. If the account household total is more than \$250,000 then the accounts and ownership should be reviewed to be sure they are within the insurance limits. "EDIE the estimator" can be found at [www.fdic.gov/edie](http://www.fdic.gov/edie).

As our client's trusted advisor, reviewing and verifying SIPC® and FDIC coverage periodically is a prudent practice. Consider adding it to the agenda of your next client meeting; the client's will appreciate your concern for protecting their hard earned money.