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NEWSLETTER
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HAPPY LABOR DAY

We now return to our fall hours: Monday to Friday - 8:00 a.m. to 5:00 p.m.

SWITCHING ANNUITIES

Five years ago this Newsletter reported insurance agents and financial planners switching their client's existing annuities for new annuities that pay a higher rate of interest and in some cases a 5% to 10% bonus. Some agents/financial planners forget to tell their clients that the existing annuity being switched had a surrender charge. In one case, a client paid over \$25,000 in surrender charges to get a higher rate of interest and a 5% bonus. Less one thinks the forgetful agents represent very small companies, an internet search revealed companies like Allianz and John Hancock were involved.

As consumers we expect our advisors to be trustworthy. However, as the facts show, it is best to be skeptical when the advisor suggesting the annuity switch is being paid a commission for doing so. Before surrendering any annuity or life insurance policy or buying a product that sounds too good to be true, get an independent opinion as to the suitability of the investment for your situation.

SEPTEMBER TAX DEADLINES

17 - Third quarter individual estimated tax payment due.

17 - 2006 corporation extended tax returns **final** due date.

MINIMUM WAGE INCREASES

7/24/07 - \$5.85 per hour. 7/24/08 - \$6.55 per hour. 7/24/09 \$7.25 per hour.

SOCIAL SECURITY AMOUNTS

FICA BASE - \$97,500. Rate: 6.20% Medicare Rate: 1.45%
Earnings test to avoid repaying Social Security Retirement Benefits: \$12,960.

SUSPICIOUS E-MAILS

If you receive a suspicious email that claims to come from the IRS, relay that email to a new IRS mailbox, phishing@irs.gov.

WE CELEBRATE OUR FIFTEENTH YEAR SERVING OUR CLIENTS

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