



# THOMPSON-HAMEL, LLC

WINTER 2009/2010

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Nate at the top of the nacelle

## BRIAN PARTICIPATES IN MENTORING PROGRAM

Brian and his wife, Gail, have been mentors in the Central Aroostook Mentoring Program since 2005 and have provided friendship to their mentee, Nathan, over the past four years. "It has been so rewarding to play a role in Nate's life and he has become a very close friend to the



Brian and Nate inside



UMPI Windmill

Hamel family over the years" stated Brian as he reflected on their relationship with Nathan. Brian and Nathan recently had the opportunity to climb the new wind mill tower at the University of Maine at Presque Isle (UMPI), which is 65 meters/213 feet tall!! As you can see by these photos, Brian and Nate were well equipped

for the challenging climb and thoroughly enjoyed their trek to the top of the nacelle. If you would like to learn more about the wind project at UMPI, go to [www.umpi.edu/wind](http://www.umpi.edu/wind)

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## THOMPSON-HAMEL MAKES CONTRIBUTIONS

During this holiday season Thompson-Hamel, LLC and its employees have taken it upon themselves to make a difference in the community by making donations to the Wintergreen Arts Center, Halfway House Pet Rescue and Catholic Charities of Maine's food pantry. The Wintergreen Arts Center was the recipient of a new Apple iMac desktop computer that will be used in its community art programs at its newly renovated home on State Street in Presque Isle. Brian is pictured here making this presentation with Wintergreen Arts Center founder and President, Lara Cannon and Robbin Sawyer, Vice President of the Wintergreen Arts Center.



Lara Cannon, Robbin Sawyer and Brian Hamel

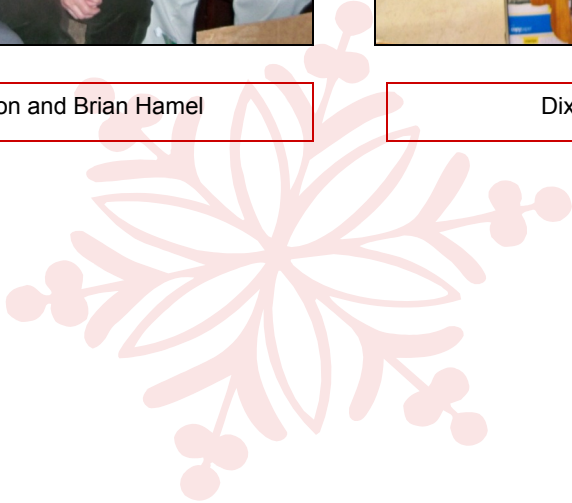
In addition, all of the employees of Thompson-Hamel, LLC made cash and/or supply donations to the Halfway House Pet Rescue and Catholic Charities of Maine. Sharon Watson and Brian Hamel are pictured making these donations to Norma Milton, President of Halfway House Pet Rescue, and Dixie Shaw of Catholic Charities of Maine.

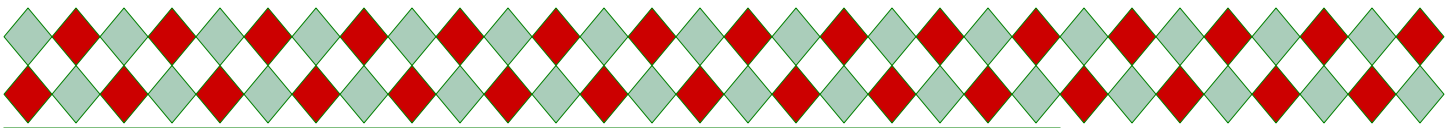


Norma Milton, Sharon Watson and Brian Hamel



Dixie Shaw and Brian Hamel





## EMPLOYEE FOCUS—PAMELA A. BOWMASTER

Pamela joined Thompson-Hamel, LLC on October 23, 2000, and is our valued associate that so capably greets our clients on the telephone and in person at our offices. In addition to knowing and greeting each and every one of our clients, Pamela also provides general office support, creates and organizes client files, prepares correspondence, assists in special projects, and processes all mail functions. She also provides assistance to Jay and Brian, and works directly with the back office of our Broker/Dealer, Ameritas Investment Corp. Pamela's courteous and professional manner with clients and advisors sets the stage for a pleasant and lasting relationship with Thompson-Hamel, LLC.



Boston Red Sox and NASCAR fan.



Pamela in the snow

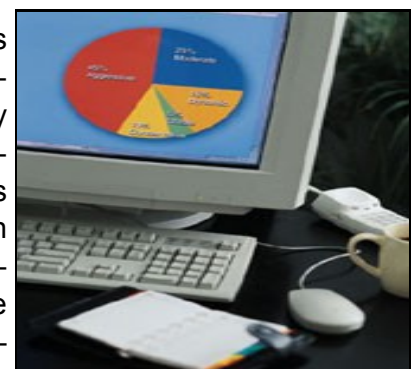
Pamela who is formerly from Limestone, lives in Morrell Siding, New Brunswick, Canada with her husband Brian, their son, Robert, their daughter, Melanie and Melanie's fiancée, Kevin, and their two grandchildren, Kerrigan and Kayden. Pamela enjoys cooking, walking and reading, and is an avid

## SOCIAL SECURITY STATEMENTS

Each year you receive an annual statement from the Social Security Administration (SSA) outlining your earnings history and Social Security benefits you may be eligible for. It is very important you review these statements carefully to ensure the earnings history matches what you have actually earned. We have had clients who have caught errors in their annual statement, so it pays to keep a close eye on this annual report. If you need to order a report from SSA, or you have questions with respect to your current or future benefits, the SSA has a very informative website at [www.ssa.gov](http://www.ssa.gov)

## PORTFOLIO REVIEW

As you are well aware, the markets have experienced significant improvements since reaching its lowest levels in two years on March 9, 2009. Given the market volatility we have experienced since September 2007 and the recently changed market conditions, the start of a new year is a good opportunity to assess whether your investment portfolio is properly situated to reap the benefits of hopefully improving markets. Whether your investments are through Thompson-Hamel, LLC, your employer's defined contribution plan, or with another investment advisor, we would invite you to sit down with us to get a free assessment of your investment portfolio to ensure it is in line with your long-term investment objectives.



## IMPORTANCE OF ANNUAL REVIEWS

During the year many changes happen in our lives, including such things as address changes, births, deaths, marriages, divorces, change of employers, retirements, medical conditions, and changes in investment risk tolerance. In order for us to continue to provide you with the quality customer service you have come to expect from us, it is important for us to be kept abreast of these changes. One way of ensuring we have current information is to schedule annual meetings. Another way in which we can remain current with your changing circumstances is for you to inform us of these changes by either calling us toll free at (888) 377-9373 or (207) 764-3302, or visit our website at [www.thompsonhamel.com](http://www.thompsonhamel.com) and click on the "Contact Us" tab and then click on the "Contact Form" tab allowing you to send us a secure e-mail. If you would like to schedule an annual review, please don't hesitate to contact us.



## HOW DO YOU PLAN FOR RETIREMENT?

In a perfect world, investing for retirement should start early during our careers through systematic investments into our accounts. When these periodic investments are combined with positive long-term investment returns, the goal is the creation of a nest egg that is sufficient to last throughout our retirement years. Assuming we have achieved this goal of accumulating the desired retirement savings, how do we plan for our retirement years now that retirement is actually upon us? The process of investing for retirement and planning for retirement when it arrives are two different exercises. If retirement in fact is upon you, it is now time to sit down and determine what your investment resources are, where you are currently invested, and where you should be invested in the future to meet the lifestyle spending needs you desire in retirement. This step in the retirement planning process is crucial to the long term sustainability of your nest egg and it would be our pleasure to schedule a meeting with you to discuss how to structure your estate planning to meet your retirement needs.





## 529 COLLEGE SAVINGS PLAN

With the escalating costs of higher education and the importance in today's working world of having an education beyond high school, now more than ever is the time to be developing a plan to pay for the higher education costs of your child, grandchild or other loved ones. A 529 college savings program provides this opportunity to save for future college expenses in a tax effective way. Assuming the funds are used for qualified higher education expenses of the beneficiary on the account, any withdrawals from the 529 plan, which include initial deposits plus any investment growth, are never taxed on a State or Federal level from an income tax perspective. In addition, the balances in a



529 college savings plan are not included in your taxable estate for Federal or State estate planning purposes. This latter point could be of particular interest to grandparents who desire to reduce the size of their estate to minimize or avoid estate taxes. You can invest up to \$13,000 per year (\$26,000 for married couples) without gift tax consequences, but under a special election in the 529 college savings plan rules, you can accelerate up to five year's worth of investments and put up to \$65,000 (\$130,000 per married couple) at one time into the 529 plan without gift tax consequences. These limits apply separately for each beneficiary. Please note, if you take full advantage of this special election and give other gifts to the same individual during that calendar year or the next four calendar years, you may face some gift tax consequences. Lastly, 529 plan assets in the name of a grandparent do not currently negatively impact financial aid eligibility of the future student. These 529 plan tax, gift and financial aid rules can be quite complicated, so we would be happy to coordinate with your tax and legal advisors to structure these 529 college savings investments in such a way that meet your college savings and estate planning goals. *Before investing in a 529 plan, carefully consider the product's investment objectives, risks, limitations, charges and expenses. This information can be found in the issuer's official statement. Copies of the official statement can be obtained from our office. Please read carefully before investing.*

## 2010 ROTH IRA CONVERSION OPPORTUNITIES

Prior to 2010, only individuals with modified adjusted gross income of \$100,000 or less could convert a traditional IRA to a Roth IRA. Effective January 1, 2010, anyone regardless of their income and tax filing status, can convert a traditional IRA into a Roth IRA through December 31, 2010. It should be noted if you convert a traditional IRA to a Roth IRA, any deductible contributions and accumulated earnings in the traditional IRA become taxable. The new conversion rules allow you to defer the income from the Roth conversion and spread it evenly over 2011 and 2012 if you aren't able or prefer not to pay all of the taxes in 2010. Unlike traditional IRA's, after conversion to a Roth IRA, your Roth IRA account will not be subject to required minimum distributions and any withdrawals from the Roth IRA are tax free to you and your beneficiaries. The one year window of opportunity could prove to be an effective retirement planning tool for you. It would be our pleasure to discuss this with you to determine if your age, tax bracket, account balance and other individual circumstances justify such a conversion.





2009/2010 Retirement Plan Limits

	2009	2010
Elective Deferral Limit for 401(k) Plans, SAR-SEPs and TSA's	\$16,500	Same as 2009
Catch-up for 401(k) Plans, SAR-SEPs, and TSAs for age 50+	\$5,500	Same as 2009
Elective Deferral Limit for SIMPLE IRAs and SIMPLE 401(k) Plans	\$11,500	Same as 2009
Catch-up for SIMPLE IRAs and SIMPLE 401(k) Plans for age 50+	\$2,500	Same as 2009
Elective Deferral Limit for 457 Deferred Compensation Plan	\$16,500	Same as 2009
Minimum Compensation Amount for SEPS	\$550	Same as 2009
Maximum Compensation Amount for VEBA's, SEPs, TSA's and Qualified Plans	\$245,000	Same as 2009
Contribution Limit for Traditional and Roth IRA's	\$5,000	Same as 2009
IRA and Roth IRA catch-up for age 50+	\$1,000	Same as 2009

Traditional IRA Deductible Contributions Phase Out Modified Adjusted Gross Income (MAGI)

Joint Return (Active Participant Spouse)	\$89,000-\$109,000	Same as 2009
Joint Return (Non-Active Participant Spouse)	\$166,000-\$176,000	\$167,000-\$177,000
Single/Head of Household	\$55,000-\$65,000	\$56,000-\$66,000

Roth IRA Contributions Phase Out—MAGI

Joint Return	\$166,000-\$176,000	\$167,000-\$177,000
Single/Head of Household	\$105,000-\$120,000	Same as 2009



## *Thompson - Hamel, LLC*

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John "Jay" Thompson  
Brian N. Hamel

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**We're on the Web!!**

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# **Integrity, Confidentiality, Professionalism & Client Services at its Finest!**



Front Row: John "Jay" Thompson and Arthur Thompson

Back Row left to right: Pam Scheppelle, Sharon Watson, Brian Hamel, Robyn Jalbert and Pamela Bowmaster

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