

Say “Goodbye” to the job, and “Hello” to the Tax Man

When you change jobs or begin a new career, you face some important decisions beyond just how you'll spend your time. You must also decide how you'll invest your money.

Since you may no longer participate in your former employer's retirement plan, the plan must now pay out your benefits. How the money is distributed is up to you. But make the wrong decision, and it can literally cost you...now and for the rest of your life.

The Tax Man has his eye on your benefits.

As long as you were employed, your funds were growing in your company's retirement plan, sheltered from income taxes each year. But now that you are leaving and the plan is making a lump sum distribution, your benefits may be subject to immediate taxation. Take the cash, and you'll also take an immediate 20% hit—government withholding tax on the entire lump sum. But if you choose to roll your retirement benefits over into a rollover IRA, you can continue to defer taxes on the funds you have built up. And, with the right planning, you can enjoy substantial growth of



your funds, also tax-deferred.

There's not much time.

In order to take full advantage of the tax benefits of a rollover, you must make your arrangements before the plan makes its payout. We encourage you to visit with a TCK account administrator now.

At TCK, you will find friendly, helpful professionals who understand the tax and investment implications of a lump sum distribution.

The future is our specialty.

A lump sum distribution may seem like an overwhelming, life-altering matter. While it certainly can be life-altering, it does not have to be overwhelming. In fact, it's the kind of issue we deal with every

day at TCK Trust & Financial Advisors.

TCK can offer you the right solutions to put your retirement funds back to work, to continue providing the security, growth potential and tax benefits you want, both today and down the road.

Money doesn't necessarily make life easier. Planning does.

If you're considering a career change and want to know how best to handle your retirement distributions, call us. We will take the time to work with you personally, face-to-face; to weigh the tax consequences, to explore the various investment alternatives, and to help you formulate a strategy that makes sense for you.

Personal
Briefs

Martha Linsner has been named Vice President of the Wichita Chapter of Executive Women International for the 2007-2008 term. **Shelli Nestelroad** is serving as the organization's Courtesy Chair. **Becca Riley-May** has joined the organization as an additional representative; **Dianne Allison** is Becca's Named Executive.

Carol Lindner participated in the annual March of Dimes Jail & Bail fundraiser. Carol helped raise over \$200 in donations. March of Dimes' mission is to fight birth defects, premature birth, and infant mortality.

Janis Bunker is stepping down as secretary of Douglas County Estate Planning Council. She has served in the position since the reinstatement of the organization in 1994. She is succeeded by **Dan Brogren**.

Learning Never Ends

TCK's commitment to continuing education was evident in the recent offering of a series of seminars sponsored by BISYS Retirement Services. Staff members gained valuable knowledge pertaining to the day-to-day administration of IRAs and retirement accounts, along with an overview of the ever-changing laws, rules, and regulations governing such accounts. Those in attendance included **J.R. English, Lisa Huskin, Carol Lindner, Shelli Nestelroad, Becca Riley-May, and Paulette Rupp**. Legal issues, tax reporting, portability options, and required minimum distributions were among topics discussed.

Martha Linsner recently completed the online, 15-hour Certified Professional Leader's Program, offered through Executive Women International. The program is designed to enhance executive management and leadership skills. This year's curriculum included management sessions by world-renowned consultants/authors Peter Drucker and Tom Peters, by international business research organization The Conference Board, and by the American Management Association.

TCK Client Appreciation Dinners

Our annual 2007 Client Appreciation Dinners were held during November in Leavenworth, Lawrence and Wichita. All three events were attended by a record number of clients this year. TCK is thankful for the trust and confidence shown by those who make our organization successful: our truly valued clients. Leavenworth and Lawrence guests enjoyed a murder mystery skit during dinner, performed by the Lawrence Community Theatre. Wichita guests were entertained by the humorous anecdotal life experiences of local artist Hugh Greer.

TrustUpdate is a quarterly report of:

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Opening your life to public scrutiny... may be the last thing on your mind.

It's your life... this is your family, these are your possessions. Whose business is it anyway?

Unfortunately, once you're gone, it could become everyone's business. By law, when someone dies their will is subject to the probate process and open to public examination. The size of their estate, the identities of their heirs—through probate, it's all there for the world to see.

“Why is this taking so long?”

For the surviving family, probate can also be excruciatingly slow. When a life becomes entangled in the legal process, time is seldom the first priority.

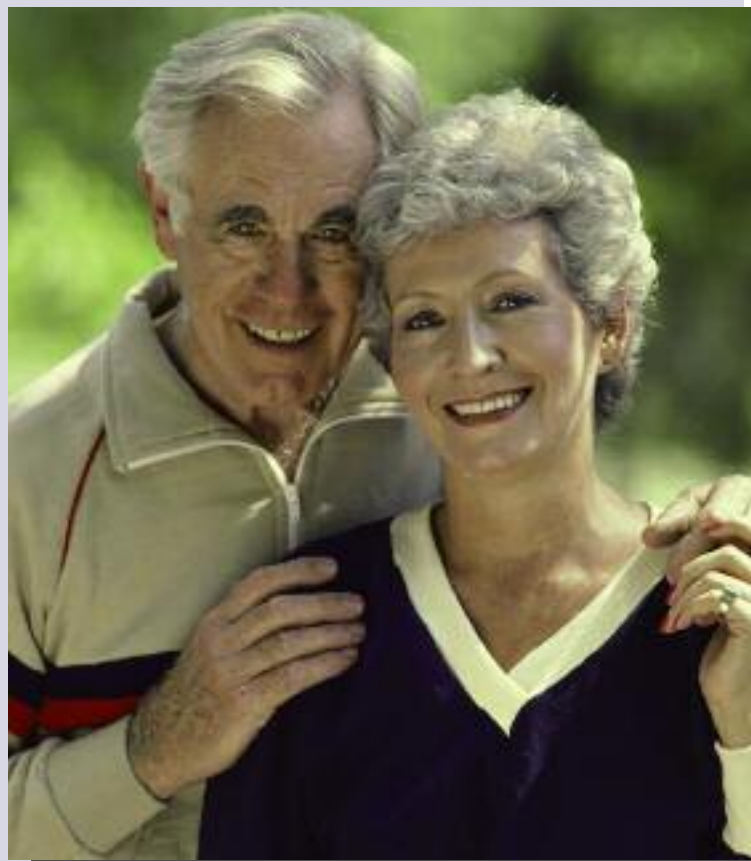
“How can we avoid probate?”

At TCK, we recommend a powerful tool that can spare families from long and distressing probate proceedings. Through a revocable living trust, you can pre-establish a course of action for the ongoing management of your estate. By referencing the trust in your will, you take your private matters out of the public eye, and minimize the time and anguish your family must endure in the probate process.

The beauty of a revocable living trust is that, while you are living, you retain control of your estate and enjoy the freedom to restructure the trust at any time. But should something happen to you, the trust continues to operate in the manner you set forth, without interruption, ensuring your beneficiaries the financial security and protection you intended.

Wouldn't life be easier today knowing you're prepared for tomorrow?

Revocable living trusts are just one of the tools we use at TCK Trust & Financial Advisors to help our clients secure a brighter future. Whether it's managing assets, preparing for retirement, or



ensuring the long-term happiness and security of those you love, our trust officers and investment managers are uncommonly qualified to help you achieve your objectives. And unlike insurance companies, stock brokers or mutual funds, we're not pushing any products. So you can make your decisions with confidence, knowing that the help we provide comes without any strings or hidden agendas, but only with your best interests at heart.

If you'd like more information about revocable living trusts or any of the many services we offer, call us. We'll set up a time to meet and help you answer some of life's most important questions.

TCK Bridge Club

TCK's Ark City Bridge Club Seeking Players!

Bridge player? Enjoy a complimentary lunch with friends? TCK's Ark City Bridge Club meets the fourth Thursday of each month. We are hoping to add a third table! Please call or E-mail Shelli Nestelroad at 316-264-6010, 800-530-5254 or snestelroad@TCKansas.com if you'd like to join us as a regular member or a sub.

DETAILS: Arkansas City: Fourth Thursday of Each Month, Union State Bank–North Branch, Basement

Upcoming Dates: Thursday, January 24, 2008 and Thursday, February 28, 2008, 11a.m.–1p.m. Lunch provided!

Wichita: Petroleum Club of Wichita, 100 N. Broadway St., Ste. 900. Upcoming Dates: TBD based on interest. Lunch provided! Clients and friends welcome!



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T C K T R U S T & F I N A N C I A L A D V I S O R S

Retirement Plan and Social Security COLAs for 2008

Many of the figures that you need to know for your retirement and Social Security planning rise by schedules that have been introduced in previous years' tax legislation or through provisions for annual cost-of-living adjustments (COLAs).

Here's a rundown of key numbers that are in place for 2008.

Maximum retirement plan contribution limits

Maximum IRA/Roth IRA contributions	\$5,000
Maximum IRA/Roth IRA contributions for those age 50 or older	\$6,000
For contributions to a traditional IRA, the deduction phase-out range for those covered by a retirement plan at work begins at:	
\$159,000 if only one active participant spouse	
\$85,000 if both spouses active participants	
\$53,000 for singles and heads of households	
401(k) contribution limit	\$15,500
401(k) contribution limit for those age 50 or older	\$20,500

Social Security

Tax rate for employees	7.65%
Tax rate for self-employed	15.30%
Maximum earnings taxable	
Social Security wage base	\$102,000
Medicare wage base	no limit
Retirement earnings test exempt amounts	
Under full retirement age	\$13,560
(\$1 in benefits is withheld for every \$2 in earnings above the limit.)	
Year in which full retirement age is reached . . .	\$36,120
(\$1 in benefits is withheld for every \$3 in earnings above the limit, but only for months prior to reaching full retirement age.)	
After full retirement age is reached	no limit

Maximum Social Security benefit, at full retirement age	\$2,185 per month
Taxation of Social Security benefits	
Singles with a provisional income:*	
below \$25,000	no tax on benefits
from \$25,000 to \$34,000	tax on 50% of benefits
over \$34,000	tax on up to 85% of benefits
Married filing joint return with a provisional income:*	
below \$32,000	no tax on benefits
from \$32,000 to \$44,000	tax on 50% of benefits
over \$44,000	pays tax on up to 85% of benefits

*The IRS defines "provisional income" as your modified adjusted gross income (MAGI) plus nontaxable interest plus one-half of your Social Security benefits. (MAGI is adjusted gross income plus tax-exempt income.)

New Year's Resolutions

As thoughts turn from an old year to a new, it's a good idea to reflect on all aspects of your financial life that might need attention.

For instance, have you reviewed your will and estate plan lately? There may be changes to your family, business or investment circumstances that merit taking another look at your strategies. Be sure to review your will to make certain that it is in sync with the current federal estate and gift tax rules.

Make one of your New Year's Resolutions to do a comprehensive review of your will and estate plan. We would be glad to assist you—just call us.

1-800-530-5254