



the Plan

Autumn 2012

Welcome, Bonnie!

As you know, Jennifer has flown the coop. She was swept off her feet, proposed to, and whisked away by a Navy man to a new life. We are a nice place to work, but how do you compete with that?

We need a replacement. Dave's wife Bonnie helped us during our transition and showed that she is energetic and works well under pressure. She is highly intelligent and experienced in event planning and office administration. We get along with her well, and we think you will find her to be most helpful, responsible and friendly.

Now that Dave and Bonnie's kids are all of school age, Bonnie can come to work while they are at school and be home for them when school is out. Bonnie started with us on a part time basis beginning a few weeks ago. Please give her a warm welcome when you see her!



Rising Contribution Limits by W. Devin Wolf, CFP®

Increases to the Consumer Price Index (CPI) in 2012 result in increases for many government set limits indexed to inflation. What does this mean for you in 2013?

- Social Security benefits will be increased by 1.7%.
- 401(k), 403(b), and 457 contribution limits will increase from \$17,000 to \$17,500. Above age 50 has a \$5,500 catch up for \$23,000 total.
- SIMPLE plan limits increase from \$11,500 to \$12,000 (\$14,500 total with \$2,500 50+ catch up).
- Traditional and ROTH IRA limits increase from \$5,000 to \$5,500 (\$6,500 total with \$1,000 50+ catch up).
- Qualified defined contribution plan additions from the same employer rise from \$50,000 to \$51,000.
- Maximum wages subject to social security tax increases from \$110,100 to \$113,700.

For those of you currently maxing out your tax deferred plans it is important to adjust 2013 contributions to take full advantage of these increased contribution limits.

Thanksgiving

by James B. Twining, CFP

Thanksgiving was not designated as a National holiday until 1863. It is significant to me that Abe Lincoln would have thought of such a thing during those Civil War days. In July of that year over 7,000 of our countrymen had been killed at Gettysburg, and over 33,000 were wounded. The larger war had claimed horrific casualties and misery, both North and South.

The original Thanksgiving was a celebration of plenty, but it had a special poignancy due to the terrible hardships the Pilgrims had endured. The settlers in Plymouth were many miles from the Virginia colony and they were completely cut off from that more established settlement due to inclement weather. They had no shelter, no stored goods, and no knowledge of the country they faced. The men of the colony built a common building which burned to the ground in January of that first harsh winter. Soon the population was devastated by disease. Only seven of the company of 150 remained well enough to tend to the rest, fetching wood for fires, making food, bathing and dressing the sick. Of the 102 original Mayflower passengers, only 52 survived to see the first Thanksgiving.

In contrast, modern society has made possible an easy life for us. Few of us can imagine how difficult life was for the pilgrims, or how tragic the Civil War was. If they found something to be thankful for, how much more should we!

Nonetheless, we are all faced with stress and family tragedy at times. Because of the nature of our profession, we share those moments with you. It is an honor to be here by your side as you do your best to make wise decisions for your families during times of financial stress, and to take care of each other in times of sickness and loss.

We are thankful for our prosperity in good times, yes. But more importantly we are thankful in difficult times, because it is then that we experience the counsel and caring of good and loyal friends.



From the entire staff at Financial Plan, may God bestow every blessing upon you and your family this Thanksgiving.



On a Personal note

Jamie and Jeanne ~

Jeanne and I recently went on a “wine immersion” cruise in Europe with our son Gabe and his wife Jaimee. The cruise began with a full-body immersion in a barrel of Lafite-Rothchild. The idea was to drink your way out of it before drowning... (after some of the morning wine tastings it felt like that).

The first port of call was northern France where we stayed for two days. We visited the D-Day beaches in Normandy and went to Paris for a day. The next stop was Bordeaux where we toured a few Chateaus in the Medoc. Then on to Basque country in Spain for the Riojas, then to Vigo where we visited Santiago De Compostella, and finally to the Douro valley in Portugal for the ports.

We had a fabulous time and got a great education in European food and wine, but at this point I prefer a slice of cheese toast paired with a glass of lemonade.



David and Bonnie ~

So I have developed a new two-pronged retirement plan for myself. 1.) I hire my wife to work in the office so I can spend more time fishing while she handles the difficult and complex issues. 2.) I gave my youngest son James my old football jersey and am working hard on teaching him the finer points of the game. Things like how to negotiate signing bonuses and working the angles to get the most endorsements from advertisers.

After all of my calculations, projections and preliminary analysis, I have determined that I should be able to retire on this plan sometime in the early part of the year 2084.

Since the publishing of this newsletter, Bonnie has hidden my fishing gear and my son James has decided to become a musician.



Nathan and Lisa ~



This November marks my 1 year anniversary here at Financial Plan. We've made it through a major transition, annual reviews and the lull of summer and I think I'm getting a handle on everything. The addition of Bonnie to our staff has freed me up to focus on more of the analytical and planning aspect of our business, and I am looking forward to tests and licensing in the near future (yay?).

An annual tradition for my family is traveling down to Skagit Valley to pick our Halloween pumpkins. This year, Finley got to wear her costume early and pick out her very own pumpkin. She had trouble deciding on which one she wanted, so we had to get her two. I don't think giving her a knife to carve it is a good idea at this point, so we'll probably stick with finger paints for this Halloween.

Devin and Stephanie ~

Over labor day we made our annual trek to Montana. It is a great trip as we are able to catch up with family in Sandpoint, ID as well as visit old college friends who have a cabin on Flathead Lake and kids the same age as Stella and Graedon. Last year the kids didn't sleep in the car, which resulted in Stella losing her voice after talking for 10 hours straight. This year we devised a plan to leave at 3 AM, so the kids could sleep as I drove over.

The night before we left I injured my neck jumping with Stella on the trampoline, and after not being able to sleep it was time to start driving. The problem was my neck hurt so bad I could barely turn my head to see the right side mirror! This year the kids did great and we made it to Sandpoint with only one half hour stop.

We had a great time swimming, playing games, and relaxing. But the highlight of the trip was picking cherries in the orchard. The kids pigged out and were covered in red cherry juice. When we quit picking cherries for Stella she even found a way to pick her own.

