



Hartfield Financial & Insurance Services, Inc.

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www.HartfieldFinancial.com

"Helping Families Preserve Their Wealth"

2731 Erringer Road 90, Simi Valley, CA 93065 (805) 522-5815 * Securities offered through GBS Financial Corp., 558 B Street, Santa Rosa, CA 95401 (707) 568-2400.
Member FINRA & SIPC. CA Insurance #0E57407

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- Employee Benefits
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[Corporate Benefits Link](#)

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Special points of interest:

SEP, IRA, 401k, 403b, 457, Simple

With so many different retirement plans to select, which account structure is most suitable for my personal tax situation?

Many folks have the same question and because each has different rules and regulations as well as varying contribution limits, you may be asking yourself where do I turn for help?

Well, that's where your personal Financial Advisor and Tax Specialist work together for you. It is our job to educate you and understand your specific situation in order to recommend and implement the best strategy for your unique tax situation.

With our specialized education and industry knowledge as well as our annual requirement to complete continuing education courses, we work as a team to ensure your best interest is first and foremost.

As you are aware, a number of recent changes affecting rules, regulations and contribution limits for retirement plans have been enacted. As such, unless you have a lot of spare time when you get home from working all day, most likely the last thing you want to do is open up IRS Publication 590 and read it – which is over 100 pages!

If you have questions, we have answers. Visit our website today to learn more or better yet give me a call and I will personally sit down with you and/or your tax specialist and develop a strategic plan based on your tax situation, time horizon and risk tolerance.

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- **Retail Spending** rose in December by 0.6%; even if rising energy costs and auto sales **aren't included**, the figure was 0.4%. The Commerce Department said it was the **sixth consecutive** monthly increase in retail sales.

- **Exports** helped narrow the U.S. trade deficit in November to **\$38.3 billion**, according to the Bureau of Economic Analysis. The 0.3% monthly improvement was helped by exports to China that hit a **new record of \$9.5 billion**, although even that level was still dwarfed by the **\$35.12 billion** imported from China.

- **The Federal Reserve** said U.S. industrial production **rose 0.8%** in December, led by materials, consumer goods and higher prices for utilities. Although increases in the fourth quarter **were slower than earlier in the year**, the annual rate of increase was 2.4%.

- **Retirement Statistics** - 44% of retirees worked for pay at some point **after retirement**. Why, unfortunately they were **forced** to re-enter the workforce due to the inability to maintain their lifestyle, even **after** trimming bills and eliminating other financial outlays.

- **Statistics from the Employee Benefit Research Institute** reports 43% of workers said they have **less than \$10k** in retirement savings in 2010. This number **grew** from 39 percent in 2009.

Sources: The Commerce Dept, Bureau of Economic Analysis, Federal Reserve, Employee Benefit Research Institute.

Joke of the Day

The Economy is So Bad That:

- If the bank returns your check marked "Insufficient Funds," you call them and ask if they meant you or them.
- Hot Wheels and Matchbox stocks are trading higher than GM.
- McDonald's is selling the 1/4 ounce.
- I got a pre-declined credit



Start Preparing for Tax Season

Do you want your tax preparation to go smoothly this year? Here are answers to the top five questions we hear from clients:

When will my tax information be available?

According to the IRS, 1099 tax information must be mailed by January 31, 2011. Most investment companies allow you to view your tax information schedule online. NOTE: Tax information is available only if your account had a taxable event in 2010.

Is there still time to make my 2010 IRA contribution?

You have until April 18, 2011, to make your 2010 contribution. You can invest up to the IRA contribution limit of \$5,000 for 2010 and 2011 — \$6,000 if you're age 50 or older. See related article below.

I am ready to start doing my taxes – now what?

Should I prepare them myself or hire a professional? This is a very personal question. If your taxes are straight forward; i.e., W-2 income and you don't itemize, you may be able to tackle them yourself. However if you have 1099 income, itemize, etc., hiring a trained tax preparer may be the better route. I equate this to operating on yourself, unless you know exactly what you are doing, you may make a mistake or forget a step. If you need a qualified referral to an Enrolled Agent or CPA, it's free for the asking!

How can I minimize my tax bill?

There are a number of "Tax Break Analyzers" on the web to learn ways to reduce your tax bill. From IRAs to 401(k) and municipal income fund investing, these tools give insight on maximizing tax-smart investment opportunities. Of course you can always give me a call directly and I will be more than happy to sit down and work with you and/or your tax professional to create the best tax-efficient investment strategy we can for your situation.

Where can I find fund-specific tax information?

There are several quick links to fund information I can provide as follows:

- **Municipal and Tax-free funds**
- **Closed-end Municipal and Tax-free funds**
- **Direct U.S. Government Obligations**
- **Foreign Tax Credit**

There are many more tax-free and tax-advantaged investments and account structures available I just don't have room to list here. If you are interested in reducing or eliminating taxes on your investment portfolio, please give

card in the mail.

- Motel Six won't leave the light on anymore.

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All kidding aside, *financial jokes* are **funny**, but not having enough money in retirement is no laughing matter. ...

Interesting & Informative?

If you find this E-newsletter interesting and informative, please forward to a friend or colleague who you think would benefit from the information. My goal is to educate and inform others of the numerous investment and financial concepts and strategies available. I truly appreciate your support and referrals because that is the Heart of my business. For that, I Thank YOU!

[Forward this email to a friend](#)

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- Blue Shield
- Health Net
- Pacific Care
- Aetna
- and others

Call me direct to get a quote from these carriers!

me a call. Thank you for your continued investment.

Why choose HFIS, Inc – so many reasons – Personal Hands-on Service. A Range of Options. Independent Investment Advice since 1994. Our commitment to working with investors to best serve them. Add up these advantages and there is only one conclusion for investors; HFIS and Thomas J. Hartfield is the Smart Choice for Retirement Planning.

[Click here to learn more...](#)



Contribute to your 2010 IRA through April 15

It may be 2011, but you still have until April 15 to make 2010 contributions to an IRA.

Having an IRA in addition to your retirement plan helps you save that much faster. Better yet, since the money you put in a Traditional IRA is tax-deferred, you may be able to lower your overall tax bill for the year.

Worth mentioning, if your company only matches up to a specific percentage, you may want to contribute the difference in your Roth IRA, which grows tax-free.

Investors age 49 or younger can contribute up to \$5,000 for 2010, while those 50 or older can add \$6000.

Next Steps

To open an IRA, please call us today. When you call I can help you determine if you are on track to meet your investment and savings goals. I Will prepare a customized plan showing where you are now and how to get to where you need to be to achieve your plans. We can get together and review your investment plan and use the systematic approach to your advantage. You have "Goals and Dreams", and I have the "Experience and Tools", so let's work together to achieve them.

[Click here to read more...](#)



Did you know?

Hartfield Financial & Insurance Services, Inc., was founded in 1994

Over the years Thomas has been actively involved in numerous community groups such as:

Simi Valley Chamber of Commerce - active Member and 2011 Chair of the Ambassadors

Grace Brethren Youth Sports - Coach, Assistant Coach & Director for the past 9 years

Boys and Girls Club of Simi Valley - active Board Member for the past 4 years

Independent Citizens Oversight Committee of the C4 Bond Initiative for our public schools - currently serve as Vice Chairperson for the last 4 years

He has financially supported and been involved in many charities over the years for local schools and educational causes while volunteering for leadership and coaching roles.

He has also been a big contributor to the National Ski Patrol, Boys and Girls Club, The American Red Cross and has been actively involved with GBYS for many years as a Director helping young boys and girls develop Christian character around the tri-counties area of Southern California.

[Learn more about Tom](#)

Are you leaving money on the table? Five misconceptions about IRAs

IRAs are one of the more valuable tax breaks Uncle Sam offers investors. But if you don't contribute one year, you can't make it up the following year. So why leave money on the table? Here are five common misconceptions investors hold about IRA, and why you shouldn't believe them.

Misconception #1:

I make too much money to take advantage of an IRA

Fact: Anyone under age 70 1/2 who earns income can invest in an IRA. Although the contributions made by higher earners may not be tax deductible, investors can still take advantage of the tax-deferred growth Traditional IRAs offer. Since investors with higher incomes typically find themselves in the highest tax brackets, they stand to gain the most from the tax advantages of IRA investing. You can contribute up to \$5,000 to your IRA for the 2010 and 2011 tax years. An additional \$1,000 is allowed for investors age 50 and older.

Misconception #2:

I don't make enough for an IRA to be beneficial for me

Fact: You don't have to invest up to the contribution limit to benefit from an IRA. A \$1,000 initial investment followed by \$125 each month for 30 years could grow to more than \$130,000. The earlier you start, the more time you have to benefit from the power of compounding. And remember, when you invest in an IRA, your investments grow tax-free or tax-deferred, making a substantial difference in the accounts growth potential. Furthermore, you may be able to deduct your IRA contribution from your income taxes – a true benefit.

Misconception #3:

I already invest in my employer's 401(k) plan – that should be enough

Fact: If you consider that you may need as much as 80% of your preretirement income to live comfortably, a workplace investment plan may not be enough. An IRA can supplement your employer-sponsored plan and help you in your efforts to create retirement income that lasts a lifetime. For example, investors who already contribute the maximum to their employer-sponsored plan, receive the company match, and also contribute an additional \$5,000 to an IRA have the potential to retire sooner – or with more money – because of their IRA contribution.

Misconception #4:

I don't have several thousand dollars available to start an IRA

Fact: Minimum investments are often lower with an IRA than other types of investment accounts. For example, you can open a number of mutual funds IRA accounts with just \$1,000 and contribute as little as \$50 a month through an Automatic Investment Plan (AIP). With an AIP, you decide when and how much



Thomas J. Hartfield

Famous Quotes:

"Intoxication: Euphoria at getting a refund from the IRS, which lasts until you realize it was your money to start with"

~From a *Washington Post* word contest~

you want to invest. Then the money is automatically transferred from your checking or savings account into the fund you chose.

Misconception #5:

Investing in an IRA is too confusing because so many investment choices are available

Fact: Choosing an investment for an IRA is easier than ever. If you're looking for a fund that offers diversification across a range of asset classes and investment styles, consider having me build a custom asset allocation strategy based on your time horizon and risk tolerance. It would be a privilege for me to put my 17 plus years of investment management experience to work for you so you can "let me worry about your money so you don't have to".

Creating a diversified "actively managed" IRA portfolio with the help of an Independent Financial Advisor may help you to achieve your long-term financial goals. If you questions, I have answers!

[Click here to read more...](#)



Have Questions - Get Answers:

Please let me know what topics are of interest to you and I will research them and write about them in the next newsletter.

This enewsletter is all about informing and bringing relevant topics to you, the reader. I hope to help you make the most out of your investments and insurance by writing about different strategies and concepts available on how to save money, invest wisely and how to set up both tax-deferral and tax-free accounts.



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In closing;

I hope this issue has been educational and informative. Most folks tell me the last thing they want to do when they get home from work is read prospectuses, annual reports, review Morningstar analysis fund profiles, and listen to economic conference calls. That's exactly what I do 8 hours a day. Let me worry about your money so you don't have to! Thank you for your business and thank you for your referrals - they are the "**HART**" of my business! Who is the next person you feel would benefit from my services?

Thank you for reading,

Thomas J. Hartfield, President & Financial Advisor
[About HFIS](#)

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