



Insights and Perspectives

Editor: Hank Nothnagel

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Quality Collection Services for the last 20 Years and the New Millenium

Breaking News...A new look, a new logo, same consistent quality.

Levy Diamond Bello and Associates LLC a.k.a. LDB & Associates LLC for the past 20 years has been operating as Caine & Weiner Associates, Inc. We have decided to leave the Caine & Weiner family and adopt a new name, new logo, new look and new corporate colors. These new milestones are a reflection of a management team that projects a fresh, energetic and entrepreneurial spirit.

History

The company traces itself back to the early eighties where its founder, Lee D. Baldieri and one of his daughters, co-founder, Laurie Baldieri Vingiano opened the agency as Adrian & Associates, Inc. Shortly thereafter, a partnership was formed with the Caine & Weiner Company and the name was changed to Caine & Weiner Associates, Inc. The founder spent many years in the Credit & Collection management profession and held credit management positions with Pitney Bowes, Babcock International and Olivetti Corporation. He was a NACM Local and State President, was on the NACM National Membership Board and taught NACM Credit & Collection courses at the University of Hartford and also the University of Bridgeport.

Organization

LDB & Associates are members of the Commercial Collection Agency Association of the Commercial Law League of America, the American Collectors Association and the International Association of Commercial Collections. We are bonded and insured, and maintain a trust account for monies collected for our clients. This procedure is required by our membership in the above organizations and state licensing agencies nationwide.

Corporate Mission

To provide accounts receivable solutions and financial services to credit and financial professionals around the globe that helps to reduce their company's collection exposure to bad debt.

For a complete list of our services visit our web site @ www.ldbassociates.com

Hidden Treasure Among The Tax Changes Of 2001

The change in the tax law is going to put a few hundred dollars in the pockets of most Americans, but the more astute among us want to delve deeper to find out if there is any real treasure buried in *The Economic Growth and Tax Relief Reconciliation Act of 2001*. When the act was signed into law in late spring 2001, it caused a dramatic change to many of the rules governing IRAs and employer-sponsored retirement plans. Long awaited retirement expansion will allow people to save significantly more than they had before in tax-deferred vehicles. At the same time, the new legislation has increased the flexibility of rules governing rollover portability between plans. The first of many of these exciting changes will take place starting January 1, 2002, with the rest being phased in over time. While the following doesn't describe *all* the changes in detail, it gives you some of the highlights.

IRA Enhancements

The most fundamental of IRA rules, the contribution limits, will increase significantly. IRA contribution limits will rise from \$2,000 to \$3,000 in 2002, to \$4,000 in 2005 and by 2008 the IRA contribution limit will be \$5,000 (indexed with inflation starting in 2009). Additionally, IRA owners who are age 50 or older will be permitted to make "catch-up contributions" in excess of the IRA limits of up to \$500 in years 2002-2005, and \$1,000 from 2006 on. While both 50-year-old men and women can take advantage of "catch-up contributions", these changes have been promoted as an especially good way for those women who left the workforce to raise children to keep pace with retirement savings.

Education Savings Incentives

When Education IRAs were first introduced in 1997, the contribution limit per beneficiary was \$500. With the new legislation, the limit will be increased to \$2,000, starting in 2002. The eligibility requirement for married contributors has also increased to twice that of single taxpayers, phased out between \$190,000 - \$220,000 of modified adjusted gross income for those filing a joint return. Additionally, savings in an Education IRA may be used for primary and secondary school expenses, in addition to post-secondary expenses.

Another college savings program, the state sponsored 529 plan, has also benefited from the new legislation. Distributions from 529 plans will no longer be subjected to federal income tax if used for qualified higher education expenses. Yes—that's correct—tax free distributions! Since contribution limits are extremely high, and there is no income limit on who is eligible to contribute, this will be the premier college funding vehicle for many taxpayers. In addition, one may contribute to both an Education IRA and a 529 plan for the same beneficiary in the same year. Previously, contributions could be made only to one plan or the other.

Employer Sponsored Retirement Plan Expansion

Many changes have been made to employer-sponsored retirement plans, such as the popular 401(k) plan, in order to increase retirement savings among employers and their employees. Like the IRA, these plan limits will increase over a period of time. 401(k), 403(b), 457 and SAR-SEP salary deferral contributions will increase from \$10,500 to \$11,000 in 2002, and then another \$1,000 every year until 2006 when it reaches \$15,000 (indexed with inflation starting in 2007). The profit sharing annual contribution limit will also go up from 15% to 25%. Participants age 50 or older may make "catch-up contributions" in excess of these limits starting at \$1,000 in year 2002, and increasing \$1,000 per year until 2006 when \$5,000 is reached. The new legislation will also focus on relieving some of the current regulatory burdens that are a part of retirement plan administration, making them more attractive to small employers.



Candid photos from AMCEA Conference in San Antonio, October 2001. Although not present in these photos, Kerry Kelly, Director of Media Sales and Dan Figuly, Director of Sales and Marketing for LDB Associates (formerly Caine & Weiner Associates) attended this conference where we have been an exhibitor for the past 12 years.



Hidden Treasures..... (continued from page 3)

Increased Flexibility for Rollovers and Distributions

Historically, options available for rolling over assets which have accumulated in employer sponsored plans have been limited. The new law allows for full portability between 401(k), 403(b), 457, Money Purchase and Profit Sharing plans when employees separate from service. Under the old rules, after tax assets in qualified retirement plans and 457 plans were not eligible for IRA rollovers. The new will provide almost unlimited asset portability between IRAs and employer-sponsored plans. These changes will go into effect at the beginning of 2002. Also, where circumstances outside the control of the plan participant prevents a timely rollover, the 60-day period to complete the rollover may be extended. As a result of these changes, workers are more likely to be willing to save within these plans, knowing they can be moved from employer to employer.

While the *Economic Growth and Tax Relief Reconciliation Act of 2001* encompasses many additional changes to the tax law, it will provide taxpayers with dramatically enhanced retirement savings opportunities. For more information on these changes, speak to your Financial Advisor.

Article courtesy of Joseph Uradnik, J.D. Associate Vice President-Investments / Branch Manager. If you have any questions Joe can be reached at joseph.uradnik@advest.com.

Congratulations to Cindy and Dan Figuly on the birth of their son Jack Anthony Figuly

Jack arrived on November 2, 2001 a couple of weeks early. He is a bantamweight at this time, but we have heard he has dad's appetite so this is a temporary condition. He will no doubt be contending in at least the middle weightrange before long. Mother and baby are doing fine.

