

ESSENTIALS BY DEBI & JIM BOWMAN

BOWMAN & BOWMAN CONSULTANTS, INC

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Complete Financial Services

Privacy Statement Notice

Yes, we are required to send this notice to you just like you have received from every insurance company, agency or agent, financial institution and other organizations that have personal information records.

Debi and I respect the trust and responsibility you have given us. This is also true for the agents that contract with us to write health insurance. You have had to disclose many pieces of personal information to us that you would not want others to have. The notice below outlines our commitment to you that we will not share this information with anyone without your written permission except as noted below. Please take the time to read this and we welcome any comments you may have.

We collect and maintain personal information about you so we can provide health and financial services to you. The types and categories of information we collect and maintain include:

Health, financial and personal information that you provide to us when we you complete an application and other forms, and from time to time in servicing your account, that we need and rely on to provide our services to you. Includes information provided via the internet and transactions you may make with our affiliates or us.

Information concerning your health history and status, financial information and investment activity via reports generated from the companies we are associated with, including account statements and performance.

Information that we collect from insurance companies, custodians or other entities who provide services to you in connection with the services we provide to you.

We do not share any nonpublic personal information about you with any third parties except as follows:

With third parties, when necessary to process a transaction or application or service your account, such as insurance companies.

Among ourselves, Bowman & Bowman Consultants, agents of Bowman & Bowman Consultants and any employees as needed to perform their duties.

With other parties as allowed by law, such as government regulators.

The outside service providers and insurance companies we utilize are committed to the privacy regulations that they will not disclose or reuse the personal information in any way. Each provider or insurance company has already sent you a copy of their privacy statement for you to read.

In addition, we have adopted internal procedures and policies designed to protect your personal information that includes the following:

We restrict access to your nonpublic personal information to those of our employees who need to know this information to provide products or services to you.

We maintain appropriate physical, electronic and procedural safeguards to maintain the confidentiality and security of your nonpublic personal information contained in our records.

This applies to all prospective, current and former clients.

Accuracy of your nonpublic personal information that we possess:

We strive to maintain the accuracy of your information. In order to help us maintain accuracy, you have the right to reasonably assess your information. If you believe any of your information in our possession is inaccurate, you may request that we amend, correct or delete the information that you believe erroneous. If we concur, we will amend, correct or delete the information in question.

EMAIL

Since the July newsletter went out we have collected many more addresses. This allows us to communicate information more quickly and more often. Thank you for helping us with this information.

All email communications to more than one person are sent via a blind copy, which means no one else is receiving your email address. This protects your address.

Many of you are using email to initiate contact with us. This allows us time to research the answer to your questions. Many times, we can respond with the answer by email. In today's hectic world, this can be helpful. This is especially true for those of you who travel, yet have internet access.

We would like to add more to this list, so **PLEASE provide us your email address** by sending it to: **jmdwbowman@attbi.com**

Social Security Enews

If you would like to read the Social Security Administration's on-line newsletter, you can visit www.ssa.gov/eneews/ You can get their FREE on-line newsletter by registering.

The SSA's web site @ www.ssa.gov/ is a great place to review what is going on. We would encourage you to visit this site.

2001 Tax Changes and You

Earlier this year a **tax reduction bill** was passed at the Federal level. This will effect everyone who either, works, pays taxes, receives retirement income, invests, utilizes tax-deductible or tax-deferred retirement plans, has an estate and/or plans on helping finance their children's education. In other words, it touches us all.

Refunds of income tax were sent out over the past 2 months. **Income tax brackets** above 15% reduced by .5% for 2001. Another .5% reduction for 2002. No change for 2003. Another 1% reduction for 2004. No change for 2005. For 2006 and beyond, the income tax rates are 15%, 25%, 28%, 33% and 35%.

If you would like a copy of the grid of rates, let us know and we will fax or email it to you.

Child Tax Credit increased from \$500 to \$600 for years 2001-2004. \$700 for years 2005-2008. \$800 for year 2009 and \$1,000 for 2010 and beyond. Credits start decreasing when AGI exceeds \$110,000 for marrieds and \$75,000 singles.

The **marriage penalty** for the standard deduction starts changing in 2005, increasing each year until it is double the single rate in 2009.

The size of the **15% tax bracket** for joint filers will increase each year until 2008, when it will be double the 15% bracket for single filers.

The **reduced deductions** for personal exemptions and itemized deductions that begin as AGI exceeds \$132,950, do not change until 2006, when they begin a gradual phase out until they are eliminated in 2010.

IRA's: Larger contributions are allowed. \$3,000 for year 2002-2004, \$4,000 for years 2005-2007 and \$5,000 in 2008. Indexed for inflation beginning in 2009. Those **50 and older** are allowed an extra \$500 for years 2002-2005 and \$1,000 for 2006.

401k's: The current contributions limit of \$10,500 goes to \$11,000 in 2002, \$12,000 in 2003, \$13,000 in 2004, \$14,000 in 2005 and \$15,000 in 2006 and beyond. Those **50 and older** are allowed to make catch-up contributions of \$1,000 in 2002, \$2,000 in 2003, \$3,000 in 2004, \$4,000 in 2005 and \$5,000 in 2006. Indexed for inflation beginning in 2007.

Simple IRA/401k: For small businesses. Current employee contribution limit of \$6,500 goes to \$7,000 in 2002, \$8,000 in 2003, \$9,000 and \$10,000 in 2005. Indexed for inflation beginning in 2006.

Education IRA's: The contribution limit has been raised from its current level of \$500 to \$2,000 in 2002. Also changed, Education IRA's can now be used tax-free to pay kindergarten through 12 grade education expenses (including private and parochial schools) and expenses of state-approved home schooling. Can still be used to pay college costs, as well. Also expanded are the kinds of expenses that can be paid with these monies.

Full deduction allowed when AGI does not exceed \$190,000 for marrieds and \$95,000 for singles. Plus, contributions can be made up to April 15th of the following year. Grandparents, aunts & uncles and others can contribute so long as aggregate amount does not exceed \$2,000 per child.

College Tuition deduction: Applies to those who itemize and to those who do not. Can deduct college tuition up to \$3,000 in 2002, and \$4,000 in 2004. Only available for those with AGI of \$130,000 or less for joint filers, and \$65,000 for single filers. Deduction goes away in 2006 (for now).

Dependent Care Tax Credit: Current tax credit level of \$2,400 goes to \$3,000 in 2002, with a maximum of \$6,000 for families with 2 or more children.

State Prepaid Tuition programs: Distributions will be tax-free for 2002 if used for college. Private colleges will be able to have their own prepaid tuition plans in 2004.

Estate Tax: Current exclusion of \$675,000 per person goes to \$1million in 2002, \$1.5million in 2004, \$2million in 2006 and \$3.5 million in 2009. Combined with these are lower Federal Estate Tax rates. Current top rate of 55% goes to 50% in 2002, 49% in 2003, 48% in 2004, 47% in 2005, 46% in 2006 and 45% for 2007-2009.

Full repeal is delayed until 2010. Instead of an estate tax, the tax basis of inherited assets of the deceased person will be used after a \$1.3million exemption (\$4.3million for surviving spouse).

Gift Tax: Still can make gifts up to \$10,000 per person per year. In 2002 and beyond, any amount gifted over the \$10,000 annual amount goes against the \$1million lifetime gift exemption. The top tax rates mirror the estate tax top tax rates.

Pension Plans: Income limit is raised to \$160,000 for 2002 and up to \$40,000 can be contributed to defined contribution plans.

Profit Sharing and SEP Plans: Employer deduction amount raised to 25% for 2002 (from 15% in 2001) of gross salary and income limit raised to \$200,000.

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COMPLETE FINANCIAL SERVICES

Fall 2001 Calendar of Events

October 16 6 - 7pm	<i>Plano Senior Center</i> How to start a home based business.
November 15 10 – 11:30am	<i>Plano Senior Center</i> Long Term Care. Why it is needed, what is covered and funding options are discussed.
December 3 10 – 11:30am	<i>Plano Senior Center</i> Medicare and Medicare HMO's. Differences and options reviewed.

Thank you

Many of you have referred family, friends and co-workers to us. Please accept our sincere thank you. We believe that we are doing good things for people. Sharing with others how we have helped you is a strong confirmation.

Thanks for reading and being a client. Debi & Jim

This is a Christian business based on the teachings of the Bible, with a strong belief in the Holy Spirit. We believe that God has blessed each of us and assigned us the task of stewardship during our life-time. All efforts are focused towards this walk. As it is written, "Minister to one another, as good stewards of the manifold grace of God" 1 Peter 4:10

Jim Bowman is a Registered Representative offering securities through FFP Securities, Inc., Member NASD/SIPC
Jim is also a registered investment advisory agent who offers services through FFP Advisory Services, Inc.