

# Kinderhook State Bank



## Newsletter



“Serving Our Community Since 1919”

[www.kinderhookbank.com](http://www.kinderhookbank.com)

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217-432-8309

## Happy St. Patrick's Day

### 2004 Legal Holidays Observed

The bank will be closed these dates:

**May 31** - Memorial Day

**July 5** - Independence Day

**September 6** - Labor Day

**October 11** - Columbus Day

**November 11** - Veterans Day

**November 25** - Thanksgiving

**December 25** - Christmas

### ATTENTION!!!

### Worth Passing On.....

Please keep a watch out for people standing near you at retail stores, restaurants, grocery stores, etc., who have a cell phone in hand. With the new camera cell phones, they can take a picture of your credit card, which gives them your name, number, and expiration date. Identification theft is one of the fastest growing scams today, and this is just another example of the means that are being used.

So .....be aware of your surroundings.

### Fraudulent e-mails

### Scams known as “Phishing”

Phishing is the fraudulent scheme of sending an e-mail to a user falsely claiming to be a legitimate company. The email attempts to con the user into surrendering private information that could later be used for identity theft. The e-mail claims that the individual's personal information is necessary to assist in the fight against terrorism or for some other purpose supposedly required by law. The website to which the email recipients are directed are often **very similar** to, **if not actual clones** of official government sites.

### Use Your Tax Return to Guide Your Investment Plan

Completing your tax return is an annual ritual that determines how much you owe Uncle Sam (or how much he owes you). But there's more to a tax return than meets the eye. It can provide insights as you map out your financial planning strategy.

### Key tax form considerations

Think of a tax return as a summary of your financial activity for the previous year and a useful starting point in evaluating your financial strategy going forward. Here are some items to check:

**Deductions.** Compare your total income (line 22 on the IRS Form 1040) with your adjusted gross income or AGI (line 35) to see if you're taking advantage of some key deductions. These include contributions to a tax-deductible Traditional IRA or retirement plan for the self employed, such as a Keogh or SEP.

**Roth eligibility.** Consider your modified AGI (regular AGI after adding or subtracting certain income, deductions and exclusions) to see if you're eligible to contribute to a Roth IRA. Your modified AGI must be less than \$160,000 if married filing jointly or \$110,000 if single. While a Roth contribution is not deductible, withdrawals are generally tax free if the account has been open at least five years and you have reached age 59 ½. The longer your investment horizon, the more valuable the Roth tax break may become.

**Marginal tax bracket.** Determine your marginal tax bracket—the category that your highest earned income falls into—to help you make investment decisions. The Tax Rate Schedules from the Internal Revenue Service can be used to find your tax bracket regardless of income.

**Earnings.** Evaluate your current earnings compared to previous years. Are you able to save and invest more? Your earnings can be the key to how much you should set aside for short and long-term goals.

**Watch for substantial changes.**

While reviewing all of these items may seem to be an overwhelming task, a good way to begin is to review your tax return to see if there is anything significantly different from prior years. If so, it may be a good time to set up a meeting to discuss your investment plan.

1. Withdrawals from a Roth IRA may be subject to state and local income taxes. Withdrawals before five years may be subject to federal income taxes and withdrawals prior to age 59 ½ to a 10% federal tax penalty. Consult your tax professional about your individual situation.

2. Example is hypothetical and for illustrative purposes only. Figures do not represent any actual investment's performance or yield. You can get a rough idea of tax-equivalent yield by using the following formula: Divide the tax-exempt yield of an investment by 1 minus your tax bracket. For example, if you are in the 35% tax bracket and are considering a municipal bond fund yielding 5%, divide 5 by the result of 1 minus 0.35 (5 divided by 0.65). The answer is 7.69. That means you would need a 7.69% yield from a taxable investment to match a 5% tax-exempt yield.

3. Specific investments may be subject in varying degrees to the alternative minimum tax (AMT). For example, a portion of a dividend that is derived from interest paid on certain bonds designed for private activities may be subject to the AMT.

Read a fund's prospectus carefully before investing and ask your tax professional to review your



individual situation.

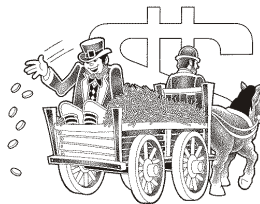
4. Source of data: Internal Revenue Service.

For more information, call Kinderhook State Banc Insurance & Financial Services, Randy Mathews, Personal Benefits Specialist today at 217-432-8388.

**For Nascar Fans Everywhere!  
Dale Earnhardt Jr. 2004 Daytona  
500 Victory  
Limited Edition Photo Mint**

This celebrates Dale Earnhardt Jr's victory six years to the day after his father's only Daytona 500 win. This Photo mint measures 12" x 15" and includes a 24-Karat Gold Overlay Coin and a Certificate of Authenticity.

There are other Limited Edition Photo Mints available, call Kinderhook State Bank and order yours today!



**Community Banking  
Week  
April 4-10**

It's Community Banking Week in Illinois and "Real Community Banks" throughout Illinois are celebrating. Community Banks not only accept deposits, they reinvest that money right back into this area. Stop by Kinderhook State Bank and share in the celebration.

During the week **Kinderhook State Banc Insurance and Financial Services** will host Seminars???

Stop in and see the **History of Kinderhook** thru the eyes of our High School students essays.

**Beard Implement** will have some lawn tractors for display.

**West Pike/Barry Softball Team** will host a car wash, and Fun activities and prizes are planned for children  
**Saturday April 10<sup>th</sup>.**

**PLUS**

Hotdogs and chips will be available Mon-Fri and Cookies and Punch on Saturday.

**Don't Miss out on the  
Fun Activities  
here April 5-10 for  
Community Banking  
Week!**

**Full list of fun Activities will  
be posted in the Bank.**

**QUOTES OF THE MONTH**

**Enjoy the present hour,  
Be thankful for the past,  
And neither fear nor wish  
Th' approaches of the last.**

By: Abraham Cowley

**Tax Filing**

Just a Reminder that the April 15<sup>th</sup> deadline to file taxes is creeping up on us quickly.

Prepare your Taxes online with the #1 tax preparation product.

**Turbo Tax** is up to date with the latest tax law changes.

Simply choose one of their four products to get started on your taxes today by going to [www.kinderhookbank.com](http://www.kinderhookbank.com) and click on Turbo Tax.

