SUMMER 2006

# Write On The Money

Published for the friends of Kensington Financial Services- *"Your Planning Partner."*

## Kensington Financial's Golf Classic:
### *Good Times, Great Memories*

The Ninth Kensington Financial Golf Classic was held June 2 - 4, 2006 at the Chestnut Ridge Golf Club in Blairsville, PA and was hosted by the beautiful Johnstown Holiday Inn and Crown American Enterprises. Golfers played in chilly, overcast conditions to benefit the Lora Phillips Foundation Trust, with proceeds going to scholarships for deserving students at Penn State New Ken and Indiana University of Pennsylvania. "The weather didn't cooperate, but it was a great day of golf anyway. We spent quality time with friends and family while fund raising for a great cause!" said Ralph Phillips, President of Kensington Financial. It was a weekend full of fun. Memories to cherish were made over a delectable dinner at Harrigan's Café and Wine Deck at the Johnstown Holiday Inn. At the big golf competition, everybody enjoyed gift bags full of promotional items donated by area businesses and a lovely dinner at the Chestnut Ridge Golf Club. The awards ceremony after dinner was short and sweet. Everyone was a winner for participating! We created a new award for this year - the *I Don't Know How I Could Have Missed It* award. By a unanimous vote, it was awarded to Mr. Kevin Koszka who had the best score.

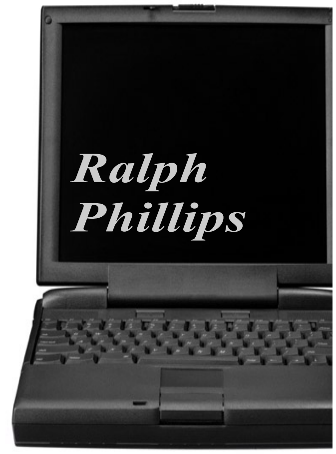
This is the cup Kevin missed for a Hole-in-One prize.

We don't know how he could have missed it either!

This actually happened. Kevin had a beautiful swing, and the ball literally landed a couple of blades of grass away from the hole!

Next year's Annual Outing is going to be a "big to do". It will be Kensington Financial's Tenth Golf Classic, June 1 - 3, 2007. This is an event you won't wan to miss. Look for special details.

## FROM THE DESK OF




## Baby Boomers 1946 - 1964

Did you know that there is a 50% chance that one member of a healthy couple will live to age 92 and a 25% chance that one will live to 97? (*Investment News,* March 2006) Statistics like this only increase the chances that a retired couple could outlive their retirement savings.

The first of 76 million Baby Boomers will turn 60 this year. Many Boomers have spent most of their lives stashing away money for their retirement and should now be looking for advice on how to make that money last throughout their retirement. They need to redistribute their retirement assets and consider other investment objectives to include monthly income plans, inheritances, and estate planning. Baby Boomers need a plan that will work for them and Kensington Financial can help.

Stop in or call the office so we can talk about what you need. I will give you the best advice and guidance to help you accomplish your goals.

**724-334-1950**

## 401(k) or 403(b) ?

Many retired people don't do anything with their company 401(k)s or 403(b)s. They leave them with their employer and don't reallocate them as times change. Many don't plan on spending all of their retirement savings and want to pass it on to their children or grandchildren.

Principal and accumulation from a 401(k) or 403(b) can be "rolled" into a traditional IRA. This type of vehicle can continue to grow tax deferred. The longer IRA assets grow tax deferred, the more wealth can be passed on. This also creates a way of gifting assets to heirs direct with limited federal income taxes.

Roth IRA contributions are scheduled to expire at the end of 2010. However, you can keep your accumulated savings in the Roth accounts and the distributions are tax free. It's important that you talk with your financial advisor and estate-planning attorney.

## Identity Theft:

**Help Limit Identity Theft...**

- When ordering checks, have them printed with only your initials and last name. A thief won't know how you sign your name.
- Instead of signing the back of your credit cards, put "Photo ID Required".
- When writing checks to pay credit card bills, do not put the entire account number on the memo line. Only write the last 4 digits.
- Never put your social security number on your checks.
- Photo copy the contents of your wallet.
- Destroy hotel card keys. They contain all the information you give to the hotel.

**What to do if you are a victim, immediately...**

- Cancel credit cards. Have toll free credit card company numbers and your card numbers handy.
- File a police report with the community where your wallet and cards were stolen.
- Call the following credit reporting organizations to place a fraud alert on your name and social security number:

| | |
|---|---|
| Equifax | 1-800-525-6285 |
| Experian | 1-888-397-3742 |
| TransUnion | 1-800-680-7289 |
| Social Security Administration | 1-800-269-0271 |

## "Let's Cruise!"

**Kensington Financial's**

**10 Year Anniversary**

**Client Appreciation Cruise**

**Departing from Tampa, FL**

**"The Splendid Boat Ride"**

**Sails February 11-18, 2007 on the "*Carnival Miracle*" to Grand Cayman, Costa Maya, Belize, and Cozumel**

***Special Gifts and Prizes***

***All Ages Welcome***

***Passports Required***

***Call (724) 334-1950 for information and reservations.***

***The boat is filling up quickly.***

## Private Mortgage Insurance

Private mortgage insurance, PMI, is not mortgage life insurance which may pay off a mortgage if you die or become disabled. It is not homeowner's insurance which protects you from loss by theft, fire, or other disaster. Private mortgage insurance is insurance that home buyers are typically required to buy if their down payment is 20% or less of the purchase price of the home and the land. It is usually required for owner-occupied family dwellings. This insurance helps protect the lender if the borrower defaults on the loan.

***PMI Regulations Applying to Mortgages After July 29, 1999***

* The Homeowner's Protection Act of 1998 requires lenders to provide certain disclosures concerning PMI.
* You have the right to request cancellation of PMI once the mortgage is paid down to 80% of the original purchase price or currently appraised value of the home, whichever is less.
* To cancel PMI, you must have a good payment history, the property cannot decline below its original value, and you cannot have a second mortgage.
* There is normally automatic termination of PMI once the loan is paid down to 78% of the original purchase price, but only if mortgage payments are not behind.
* Lenders must terminate coverage within 30 days of cancellation or the automatic termination date, and are not permitted to require PMI premiums after this date.
* Any unearned premiums must be returned to you within 45 days of the cancellation or termination date of the PMI.

## Americans are Illiterate-Financially

According to the U.S. Senate, 75 million Americans are "credit challenged", and the personal savings rate last year was –.5%. This rate has not been negative since the 1930's.

According to the National Council of Economic Education, children from kindergarten through twelfth grade have been engaged in educational outreach efforts to teach personal finance skills including: life-cycle investing, building wealth for retirement, and the virtual stock market. There is also a financial education website to access:

www.mymoney.gov

Call Kensington Financial for answers at (724) 334-1950.

### Vanna's Fare

Thank you Mr. Dale Hand for sparking this idea.

Here is a question for all of our Friends -

What is your favorite way of spending time with your family?

Send your answer in an email to:

**questions@kensingtonfinancial.com**

*Moving On...*

*Danielle Guthrie has resigned as Office Manager at Kensington Financial. She will be spending her time pursuing long-term goals and dreams. We'll miss you Danielle. May good luck and happiness always be with you.*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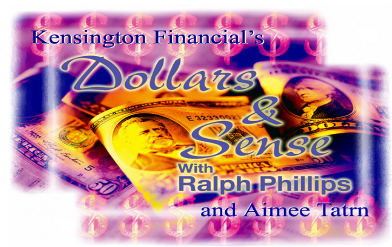
FINANCIAL SERVICES, INC.

*"Your Planning Partner"*

# "Kensington Financial's Dollars & Sense" Rides the Wave of Success!




That's right. We're taking the show to a whole new level. In July 2006 we are heading out to California to produce all new episodes of "Kensington Financial's Dollars & Sense". Watch for our new look to hit the air in September 2006. Wish us luck. Who knows, maybe we'll meet a few celebrities!

**Don't miss the wave! Call Ralph Phillips or Aimee Tatrn at (724) 334-1950 for advertising opportunities.**

**Through the summer you can still catch "Kensington Financial's Dollars & Sense"**
**Comcast Channels 8 & 13 Thursdays at 7 PM & Mondays at 3:30 PM**
**Adelphia Channel 23 Wednesdays at 7:30 PM & Thursdays at 12:30 AM & 8 AM.**
**Atlantic Broadband Johnstown Channel 9 Wednesdays at 7 PM & Thursdays at 3:30 PM.**

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