



First Arkansas Bank & Trust

TRUST DEPARTMENT



"Protecting Your Most Valuable Assets"

1st Quarter 2005

FUND YOUR IRA FOR 2004

Now is the time to contribute to your Individual Retirement Account (IRA) for 2004. You have until Friday, April 15, 2005 to contribute for last year. Under the law you can contribute for the past year until the new year's tax deadline and claim it on your tax return.

For 2004 you can contribute as much as \$3,000 to your IRA (\$3,500 if you are 50 years of age or older).

For 2005 you can contribute as much as \$4,000 (\$4,500 if you are 50 years of age or older). If you make periodic contributions to your IRA, you will want to increase the amount you contribute based on the new maximum allowed.

Please contact Jo Anderson

in our Trust Department if you have questions about your IRA. She can be reached at (800) 982-4511 or (501) 985-4033. She can be contacted via e-mail at janderson@firstarkansasbank.com.

Jo will be able to help you roll over money from a 401(k) plan with a previous employer, free of tax consequences.

If you are reaching your Mandatory Distribution Age (MDA), Jo will see that you receive the proper amount required by law. You may choose a monthly, quarterly, or annual distribution. Just let Jo know and she will see that you receive it in a timely manner.

Each year thereafter she will see that the new annual amount required to be distributed is done so that you can avoid any penalties.

REVIEW YOUR ESTATE PLANS

January is the perfect time to review all your estate plans: Trust, Will, Living Will, Powers of Attorney.

You should also inventory all important documents: car titles, property deeds, insurance policies,

birth certificate, marriage certificate, military records and anything else that your heirs and beneficiaries might need.

Inventory, revise, and list all these documents. It's wise to keep them in a safe deposit box. Luck!

Inside this issue:

Table with 2 columns: Article Title and Page Number. Includes Charitable Giving, Who Gets Your Heirlooms, Higher IRA Contributions, etc.

Special points of interest:

- You can now contribute more money to your IRA in 2005.
• Charitable Giving? CAREFUL!
• Family Heirlooms
• Health Care Power of Attorney
• "Phishing"

CHARITABLE GIVING—CAREFUL!!

Before you write that check for your favorite (or new) charity, you might want to do a little research. Some charities spend so much raising money and paying staff that little of the money contributed actually goes to the stated need.

There are three web sites that you might look at to see which charities are most likely to get most of the money to those it is intended to help. Each of these organizations does research on charities, rates them, and then places the results on the Internet.

An example of similar sounding names with big differences in rating: American Breast Cancer Foundation gets relatively low ratings while the Breast Cancer Research Foundation is generally rated as very good.

Go to these three sites and conduct your own

research:

www.charitywatch.org

www.give.org

www.charitynavigator.org

These three organizations use the charity tax returns, financial statements, and interviews to rate the charities. While it isn't a perfect plan, it's better than no plan at all! Remember they're YOUR dollars.

Good giving!



WHO GETS YOUR HEIRLOOMS?

Save your heirs heartache and possible disagreements after you are deceased by simply writing a list of who gets what. Leave it with your Will so that at your death all doubt is removed.

You may want to start giving special pieces during your lifetime. If not, you can simply state in a simple list where you want your heirlooms to go.

Simply walk around your home, taking an inven-



tory and then naming the beneficiary. This will keep your heirs from having to wonder. Whether or not they agree with your desires is one thing, but it does make it clear.

Don't hesitate to name children, grandchildren, nephews, nieces, siblings or friends.

HIGHER IRA CONTRIBUTIONS FOR 2005

For 2005 you can now contribute more money to your Individual Retirement Account (IRA). Beginning in January this year you can contribute up to \$4,000 per year, up from \$3,000 last year.

If you are over 50 years of age, you can contribute up to \$4,500 per year, up from \$3,500 last year. Regardless of your age you come up a winner insofar as the amount you can contribute to your IRA.

If you are over age 50 you will be able to increase your contribution another \$500 per year beginning in 2006.

Your contribution can be periodic (monthly or quarterly) or can be made once a year, as late as April 15 for the preceding year. Call Jo Anderson at 985-4033.



UPDATE YOUR POWER OF ATTORNEY

If you already have a Health Care Power of Attorney in place, you should review it. An unintended consequence of the medical privacy provisions portion of the law commonly known as HIPAA, may make it very difficult for any member of your family to get any information about your condition, even if you are not conscious.

Medical providers who take a very conservative approach may refuse to provide your family members enough information to make an informed decision! The Living Will that we urge people to prepare often is ignored because there are so many gray areas.



We recommend that you have a Living Will, but by all means have a Health Care Power of Attorney prepared. If yours was prepared after April 2003, we recommend that you update it.

For detailed information please go to www.hhs.gov/ocr/privacysummary.pdf for the government summary.

For information on personal representatives, go to www.hhs.gov/ocr/hippa/guidelines/personalrepresentatives.pdf.

If you can assist you please call us at 985-4030 or (800) 982-4511.

E-MAIL REQUESTS

If you use the Internet and receive an e-mail from a legitimate looking source such as a bank, phone company, or any other firm requesting "confirmation" of your personal information, **DO NOT SENT IT!**

This is called "phishing" (or "pfishing") and is a method used by thieves to get unsuspecting, trusting people to give their Social Security numbers, bank or investment account numbers, along with address and

telephone number. **NEVER GIVE PERSONAL INFORMATION THAT IS SOLICITED BY E-MAIL**, no matter how legitimate it appears.

Just delete it. If you want to question it, just call the Customer Service number provided by your bank or credit card company and ask. They will tell you they **NEVER** ask for personal information via e-mail.

It's a scam—don't do it!

CHECK YOUR HOMEOWNERS INSURANCE

You should review your homeowners insurance annually. January is a good time to do that.

Building costs are rising as is the value of existing homes. You should ask if you have enough insurance to replace your home and its contents should it be lost to fire or other disaster.

Talk with your insurer to see if you have insurance for replacement of your home and possessions or

is it merely to cover your original cost. Ask is your policy has an escalation clause which keeps up with rising costs and values. While you're at it, ask if your policy pays for your temporary lodging costs in the event of a complete loss. Don't take anything for granted!





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YOUR TRUST DEPARTMENT

FIRST ARKANSAS BANK & TRUST has a long and proud history of service in central Arkansas. We are a state-chartered bank, chartered by the State of Arkansas, and regulated by the State Bank Department and the Federal Deposit Insurance Corporation (FDIC). We have a full-service Trust Department, a brokerage office, and a mortgage company, First Arkansas Mortgage Company, which is a wholly owned subsidiary of the bank.

The **Trust Department** was granted trust powers in 1972, and provides investment and trust services to individuals (Personal Trust), businesses (Employee Benefit Plans), and Corporate Trust in the form of servicing bond issues. The **Trust Department** manages approximately \$100 million in assets for its clients. The service provided is professional, confidential, personal, and utilizes the finest resources available in market research, investment information, and administrative systems.

The **Trust Department** of **First Arkansas Bank & Trust** is large enough to provide the quality of service its clients deserve, and small enough to provide a level of **personal** service appreciated by people

CONTACT US VIA E-MAIL OR TELEPHONE

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