

# MONEY MATTERS



Parkston, SD  
605-928-7991



Kaylor, SD  
605-583-4471



Volume 9, Issue 1  
Spring 2007



## From the President's Desk

Scott Bormann, President

During March, Farmers State Bank will join the "Go Direct" campaign to inform our customers of the safety benefits of direct deposit of federal benefits.

The "Go Direct" campaign, sponsored by the U.S. Department of the Treasury and the Federal Reserve Banks, encourages people who receive Social Security and other federal benefits to help protect themselves by switching from paper checks to direct deposit.

People who get Social Security and Supplemental Security Income [SSI] can sign up for direct deposit by calling the toll-free "Go Direct" helpline at (800) 333-1795 or they can sign up at [www.GoDirect.org](http://www.GoDirect.org).

## 24 Hour Phone Banking



928-4040  
888-459-4040

## Health Savings Accounts - What You Should Know

A Health Savings Account (HSA) is a tax-exempt trust or custodial account established exclusively for the purpose of paying or reimbursing qualified medical expenses of you, your spouse, and/or your dependants.

You are eligible for a regular HSA contribution if, with respect to any month during the year, you (1) are covered under a high-deductible health plan (HDHP); (2) are not also covered by any other health plan that is not an HDHP (with certain exceptions for plans providing preventative care and limited types of permitted insurance and permitted coverage); (3) are not enrolled in Medicare; and (4) cannot be claimed as a dependent on another person's tax return.

In 2007, a HDHP is a plan with an annual deductible no less than \$1,100 for Self-Only coverage and \$2,200 for Family coverage. For HSA purposes, the HDHP must limit out-of-pocket expenses to no more than \$5,500 for self-only coverage and \$11,000 for

family coverage.

Beginning in 2007, the maximum annual contribution amount for a Self-Only coverage is \$2,850 and Family coverage is \$5,650. Any funds not used can be used in subsequent years.

Additionally, a "catch-up" contribution is available for eligible individuals who are ages 55 or older by the end of their taxable year and have not enrolled in Medicare. Contributions to an HSA are fully deductible, the earnings grow tax deferred and distributions for qualified medical expenses are tax free. Farmers State Bank asks that you consult with your tax or legal professional for guidance.

If you meet the eligibility requirements for an HSA, you, your employer, your family members, and any other persons (including non-individuals) may contribute to your HSA. This is true whether you are self-employed or unemployed.

Farmers State Bank offers HSA's for your convenience. Please visit with one of our employees for more information.



## Your 2006 IRA—There's Still Time

The books were closed on your 2006 personal finances at midnight on December 31, with one big exception. You can make 2006 contributions to your traditional or Roth IRA until the income tax filing deadline (April 16, 2007).

While a Roth IRA offers no immediate tax benefit, earnings can grow tax-free for retirement. A traditional IRA can cut your 2006 income bill since qualified

contributions can reduce your taxable income.

Eligible individuals can contribute up to \$4000 to a Roth or Traditional IRA for 2006. Those age 50 and above can add a "catch-up" contribution of \$1000. The contribution limits remain at those levels for 2007.

*Remember*, you must meet income eligibility requirements to contribute to a Roth IRA. Talk to your tax advisor to see if you qualify.



FARMERS STATE BANK  
 PO Box A  
 PARKSTON, SD 57366

PRESORTED  
 STANDARD  
 U.S. POSTAGE PAID  
 KAYLOR, SD  
 PERMIT NO. 1

INTERNET BANKING AT  
 WWW.FSBPARKSTON.COM

## VISA Travel & Gift Cards

Farmers State Bank is now offering VISA Gift & Travel Cards for your convenience. The Visa Gift Card is pre-loaded with funds, that the recipient can then spend at any merchant that accepts Visa Debit cards. You choose how much you want to load onto the card and the recipient chooses what to spend it on. Whether the card recipient wants to buy one large item or several smaller ones from different stores, a Visa Gift Card is perfect.

The Visa Travel Money card can be used to pay for goods and services at millions of restaurants, hotels and shops worldwide. In fact, they can be used at any location that accepts Visa. Furthermore, you can use



your Visa Travel Card to access local currency from over one million Visa cash machines in more than 160 countries.

The Visa Travel Money cards are pre-loaded with your spending money before you travel, enabling you to easily keep track of exactly how much you are spending while you are away from home. If you have funds left on your card at the end of your travels, you can choose to keep them on your card and add additional funds for next time you travel, or alternatively, withdraw the remaining cash from an ATM.

As well as the usual security features you'd expect from a Visa card such as PIN and signature protection, you also have the option to buy additional cards.

### Combine Your Statements

Are your check image binders filling up? You can combine all of your different accounts' statements into one and reduce the number statements that you receive. Your checking account and savings account can be printed on the same statement, thus reducing the amount of paper in your binder. You can do the same thing with two different checking (or savings) accounts.

Let any of the tellers know you would like to combine your statements. Then you will only have one statement to file at the end of each month.

### Teller Tidbits

If you are planning a rummage sale, ask one of the tellers to reserve your "Rummage Sale Sign", to direct potential buyers to your location.

The first state quarter of 2007, Montana is available from the tellers.

If you would like assistance in setting up your Social Security or your Supplemental Security Income (SSI) to electronic deposits, please see one of our Tellers. Just stop in and they can get you set up. The change over from paper to electronic deposit can take up to six weeks.

### Internet Banking

In our continued effort to offer you high quality and highly secure products, we have decided to modify our Internet Banking Enhanced Security Login (ESL) procedures.

Some customers were having difficulties and some security software products were removing the Security Cookie, causing the security feature not to operate properly.

On February 13th, we removed the old ESL feature and returned to the original login procedures. Please be assured that our Internet Banking product is still very secure. If you have any questions or concerns, please call Mike Scott at 605-928-7991.