

# IHC Financial Focus

IHC Financial Group's Monthly Newsletter - April 2009

## Roth IRA Option May Be Coming to TSP

More than half of Thrift Savings Plan (TSP) participants want a Roth 401(k) fund option, which would offer them a hedge against future tax increases, a new survey shows. That has some officials predicting that a Roth 401(k) option could be added to the TSP program as early as this year. "It seems to be a real possibility," said Jim Sauber, the chairman of the Employee Thrift Advisory Council, a group of union and management association representatives that advises the board governing TSP. "There is a growing interest for a variety of reasons."

Under a Roth option, participants would pay taxes when they make contributions to their TSP retirement investment accounts. When they retire and withdraw those funds, they would not be taxed. This differs from the current tax-deferred TSP plan, where contributions are taxed at the time of withdrawal. The House passed a bill last year that would create a Roth option, but the Senate failed to pass a similar bill, and the proposal died. The Roth's legislative future under a new Congress is uncertain. Sauber, who is also a chief of staff of the National Association of Letter Carriers, said the continued support, combined with the Roth's previous success in the House, could bode well for its chances. The Federal Retirement Thrift Investment Board could add a Roth option on its own; however, so far, it hasn't.

Last year, the board decided not to add the Roth option because it wasn't sure enough employees would use it to justify the \$13 million cost. A Roth option would require a separate accounting system to handle pre-tax and post-tax accounts, a computer system overhaul, and a reorganization of the TSP's call centers. TSP might also need to offer participants professional tax advice to help them determine whether a Roth option would be beneficial. Tom Trabucco, the board's legislative director, said the board does not want to sacrifice TSP's simplicity in adding another option. The employee council will now review survey results and recommend to the board whether it is time to add a Roth, Trabucco said.

Service members were most enthusiastic about the Roth option. While 56% of all respondents said they would like the Roth option, 63% of service members felt TSP needed the option and 49% of military participants would contribute some or all of their savings to a Roth. The last survey, conducted in 2006, found that 60% of respondents wanted a Roth option. Jessica Klement, the government affairs director for the Federal Managers Association (FMA), said that support for a Roth is still strong, even though it was lower than in the previous survey. "If more than 50% of people want a Roth, that's telling, and worth looking into," Klement said. FMA supports creating a Roth option. For more information, please visit [www.federaltimes.com](http://www.federaltimes.com).

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## \$200 Visa Gift Card from Assurity Life

Assurity Life is currently offering a \$200 gift card when you place \$15,000 in paid life premium, or \$150,000 in paid annuity premium. This offer expires on April 30, 2009. For more information on this promotion or on Assurity Life, please contact Elaine Brown at 512.346.4610, x2806.

## 2009 Federal Employee Benefits Software Now Available

The latest version of the 2009 Federal Employee Benefits Software is now available. This version offers the latest updates and changes to the federal employee benefits package. In addition, it is an IHC Financial Group private labeled version, which can be specifically used for creating a computer analysis and financial plan for your federal employee prospects. This private labeled version is now available for only **\$175.00**, in comparison to the regular, everyday price of **\$299.99**. Purchase your 2009 Federal Employee Benefits Software through IHC Financial Group and save **\$124.99!** In order to receive your personal copy, please send a check or money order to IHC Financial Group at 3508 Far West Blvd., Suite 360, Austin, TX 78731, or contact us for more information.



## Focusing on our IHC Financial Agents

**IHC Financial Group appreciates our agents!** Every edition of *IHC Financial Focus* will contain a section featured on one of our agents. This month's edition is featuring James Couch of Memphis, Tennessee. James Couch has been working in the insurance business for 30 years, and has been working with federal employees for about 17 years. His favorite products include Universal Life, Return of Premium, Term Life, and Disability Insurance.

In his free time, James and his wife are active members of their church, and serve as mentors for a family of their church with six children, ages 1-15. They have two daughters: one, age 33, in Manhattan, and one, age 38, living in Beaumont, Texas. Their daughter in Beaumont recently gave birth to her baby boy. James and his wife enjoy visiting their two daughters, and spending time with their new grandson! James is also an avid fan of all University of Memphis sports, and enjoys keeping in touch with his old schoolmates from the University of Memphis.

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### IHC Financial Group Introduces Website

IHC Financial Group is happy to announce that our new website is now up and running! You can visit this site at [www.ihcfinancial.com](http://www.ihcfinancial.com). The IHC Financial Group Website provides you with general information about our company and the companies we represent. Additionally, under the "Products" section of the website, you have the opportunity to open, download, and/or print all the product brochures listed under each company. The "Resources" link on the website contains PDF copies of our three IHC Financial Group brochures (FGLI, TSP, and Pension Maximization), and provides you with the opportunity to download and print all three. Our Federal Employee Benefits Workbook, 2009-2010 Edition, is also available to you on the "Resources" page. Follow the "Links" page on the website for a list of other useful websites and resources to help you and your business!

### New Simplified Issue Term Product

Stonebridge Life is now introducing the new Simplified Issue Term Product. To learn more about the Simplified Issue Term Product, or to request an informational packet, please contact Elaine Brown.

### \*IHC Financial Group Contacts\*

#### Brian Pearson

Senior Vice President, Chief Marketing Officer  
512.346.4610 x2802  
BSP@madisonlife.com

#### Elaine Brown

Marketing Assistant  
512.346.4610 x2806  
EDB@madisonlife.com

#### Kyla Graber

Administrative Assistant  
512.346.4610 x2805  
KKG@madisonlife.com