

## WOMEN BUSINESS OWNERS NEED RETIREMENT PLANS



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If you're a woman who owns a business, you've got plenty of company. In fact, women own more than 10 million U.S. companies, and women-owned businesses account for about 40% of all privately held firms in the U.S., according to the Center for Women's Business Research. Clearly, the good news is that women like you are entering the small-business arena at a rapid pace. The not-so-good news is that you may be facing a retirement savings gap in comparison to male business owners.

To get a sense of this gap, consider these statistics:

According to the U.S. Small Business Administration's Office of Advocacy, 19.4% of male business owners have 401(k) or similar plans, compared with just 15.5% of women owners.

One way to help close this savings gap, of course, is to set up a retirement plan for your business. But for many women business owners (and male owners, too), the perceived cost of setting up and running a retirement plan has been an obstacle. However, the retirement plan market has opened up considerably for small business owners over the past several years, so you might be sur-

prised at the ease and inexpensiveness of administering a quality plan that can help you build resources for your own retirement – and help you attract and retain good employees.

With the help of a financial professional, you can consider some of the myriad of plans that may be available to you:

- **Owner-only 401(k)** – This plan, which is also known as an individual 401(k), is available to self-employed individuals and business owners with no full-time employees other than themselves or a spouse. You may even be able to choose a Roth option for your 401(k), which allows you to make after-tax contributions that can grow tax-free.

- **SEP IRA** – If you have just a few employees or are self-employed with no employees, you may want to consider a SEP IRA. You'll fund the plan with tax-deductible contributions, and you must cover all eligible employees.

- **Solo defined benefit plan** – Pension plans, also known as defined benefit plans, are still around – and you can set one up for yourself if you are self-employed or own your own business. This plan has high contribution limits, which are determined by an actuarial calculation, and as is the case with other retirement plans, your contributions are typically tax-deductible.

**SIMPLE IRA** – A SIMPLE IRA, as its name suggests, is easy to set up and maintain, and it can be a good plan if your business has fewer than 10 employees. Still, while a SIMPLE IRA may be advantageous for your employees, it's less generous to you, as far as allowable contributions, than an owner-only 401(k), a SEP IRA or a defined benefit plan.

## INSURANCE 101



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## Tornados, hurricanes and flash flooding, oh my!

2011 is really packing a punch weather-wise. From several feet of snow to tornados to hurricanes – we really haven't had much of a break from Mother Nature this year. And while, for the most part, our local area has been spared from devastating damage, another threat could be just around the corner. So, as we wave goodbye to Summer, or as I like to call it, The Best Season EVER!, it's important for business owners to review their insurance coverages.

When you review your policies some coverages are front and center. You know how much you have your building insured for. You know what your liability limits are. And you know how much business

personal property you are insuring. It's all right there on Page 1 of your policy – The Declarations (Dec) Page. But does your Dec Page tell you what your policy provides you if you lose power for several days? I'm talking to you, Mr. Retail Shop Owner. And, hey, you, Ms. Commercial Landlord – have you got coverage for loss of rents?

Business Income Insurance, also referred to as, Business Interruption or Time Element coverage plays a key role in your Insurance portfolio. These coverages are designed to help you stay in business during periods of lack of income. Insuring your ability to generate revenue is just as important as insuring your real property. Understanding these coverages and having the appropriate ones in place at the time of loss could be the difference between keeping your business afloat or closing your doors.

What Is Business Income Coverage? Business Income is defined as the net income that would have been earned, less normal operating expenses, had a loss not occurred. There is some math involved

to calculate how much coverage you need. I won't go into the details in this article because, honestly, not many people will continue reading if I start throwing equations and coinsurance formulas at you. A direct loss would be the fire at your business that damaged your building and business personal property (real property). You can think of Business Income as the indirect loss as a result of a direct loss.

## Period of Restoration

The Period of Restoration begins 72 hours after the time of direct loss and ends either the date the property "should be" with "reasonable speed" and "similar quality" repaired, or normal business is resumed. What this means is this Period of Restoration does not include any extra time due to ordinances of law that may increase the time of construction. Building regulations in construction have certainly changed over time. You'll also notice that you must wait 72 hours before coverage begins. Well, I have good news for owners of older buildings and restaurants! You can choose an extended period of restoration if extra time is needed to complete

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## HAVING MORE RETIREMENT ACCOUNTS IS NOT THE SAME AS HAVING MORE MONEY.

When it comes to the number of retirement accounts you have, the saying "more is better" is not necessarily true. In fact, if you hold multiple accounts with various brokers, it can be difficult to keep track of your investments and to see if you're properly diversified.\* At the very least, multiple accounts usually mean multiple fees.

Bringing your accounts to Edward Jones could help solve all that. Plus, one statement can make it easier to see if you're moving toward your goals.

\*Diversification does not guarantee a profit or protect against loss.

To learn why consolidating your retirement accounts to Edward Jones makes sense, call your local financial advisor today.



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## TRAINS

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- Hartford, probably Meriden, and New Haven, and the idea is that this train will be going fast along the corridor, and then the inter-city trains and commuter trains will pick up the passengers to bring them to their destinations."

According to the DOT, plans for the rail project include service every 30 minutes during peak rush-hour periods and every 60 minutes throughout the day. By 2030, projections anticipate 1.26 million riders annually. The state expects to complete all design work on the project in 2013 and launch the new service in 2016.

"The long term vision is to re-install the double track along the whole corridor, and that will allow us to increase the number of trains every day. For Windsor, potentially starting at 6:00 in the morning to 9:00 we could have roughly 6 trains going south and probably 4 trains going north," says Windsor town manager Peter Souza. "We envision that Windsor residents will be able to get on the train and go mostly south to either Hartford, or New Haven and connecting to Metro North, and folks coming from the South who happen to work in Windsor or the western part of Bloomfield, they will be able to get off on Windsor, hop on on either a CT-Transit bus, or a shuttle system and go on a one-stop trip to where they work."

The town has already submitted a grant request to the state, for \$500,000 to be used for planning downtown changes. There is about \$5 million dollars available, and there about \$12 million of requests, Souza says, but Windsor seems to be in a good position to receive support, because the town has already an Amtrak station downtown, and would be interested to know what the new traffic would mean for development possibilities in places like the Plaza building or the old Arthur's Plaza at the end of Broad Street.

Another request for a grant was aimed at the Capital Region Council of Governments, to fund a study on establishing a shuttle system along the Day Hill corridor. The petition was successful and roughly \$25,000 have been allocated to Windsor to hire a transit planner for the project.

"The model we are looking at is creating a Transportation

Management Association," Souza related. "There is a number of them across the country and we want to some case studies on them. They are non-profit entities made up of the business owners, and major employers in the area, who want to provide an alternative transportation for their employees."

Windsor companies are already looking into the idea. The Windsor Chamber of Commerce has created an ad-hoc committee to deal with transportation topics, and during this winter the town officials plan to work with the group to find out the thoughts and needs of the corporate citizens, and to determine how the improvements of the train system will affect the community.

"Windsor has a tradition of planning ahead," Souza said, "and that's what we are now doing."

A little up the road, in Windsor Locks, the new momentum for an updated rail service is seen as much more vital than just an improvement in commuting opportunities. Following a series of botched efforts in the 60s and 70s that aimed in "modernizing" downtown, Windsor Locks has been left essentially without a functional Main Street - no town officials hope to use the train to reinvigorate the area.

On Monday, on a meeting at a packed town hall, town residents heard about the plan town officials have been working on for more than four years now, hoping to reverse twenty years of declining economic activity at the town's center. It's linchpin? Relocating the Amtrak platform to the an area near the historic train station, at the heart of Main Street.

"Currently we have 15,000 travelers that use the train on an annual basis," said on Tuesday First Selectman Steven Wawruck. "Windsor has 10,500," he pointed out. "And Windsor has derived significant benefits from the people using the train from the center in their train district, with the housing of recent and the small shops and restaurants. That's what we are looking for in the center of town. If we can take that 15,000 sets of feet and bring them to the center of the town, that would be one massive infusion of people in our downtown area and we will see a transformation from deteriorating and vacant storefronts to one where investors would

come and refurbish the existing stores, and even redevelop the area."

"Now, there is no connectivity whatsoever," he observed. "This platform can transform the economic district and make it more vibrant."

What in essence Windsor Locks town officials propose is bringing Main Street to an older - and many would say better - time. Not surprisingly a video created by resident Kevin Brace, showing how the area looked in the past, with the storefronts filled with patrons and store owners standing in front of their businesses, was titled, "Back to the Future."

It was showed during the meeting, and people understood the vision of the plan, said Windsor Locks' EIDC coordinator Patrick McMahon.

"There was overwhelming support for relocating the train platform back to the downtown area," he said. "People understand that we got to do it now, that's the best opportunity. There is both federal and state funds in place for the rail corridor, and we hope that with the additional funding approved for the north of Hartford. The DOT has turned around and it's now supporting the relocation. And Amtrak is also supportive."

But Windsor residents must make sure that the plan has the support it needs, McMahon stressed.

"As I said in the meeting, it's a once-in-a-lifetime opportunity to do this," he said. "If we miss this window, as the saying goes, the train may pass."

## INSURANCE 101

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- repairs or build back clientele. You can also choose to change that "72 hours" to "immediately".

**Payroll Business Income** includes coverage for ordinary payroll during the Period of Restoration. This coverage helps prevent your valued employees from going to work for your <gasp> competitor in the event that your company cannot provide them with work due to a direct loss.

**Rental Value**  
If you are a building owner that leases out space to tenants, you can buy coverage for a loss of rents. If your building is damaged by a covered loss and your tenants cannot occupy it, this insurance pays for the rents you would have received had the damage not have occurred.

**Utility Services**  
Did you know that you can get coverage if your water, communications or power supply is interrupted? If you cannot operate your business without water, or the telephone, or electricity then you should absolutely have this coverage on your policy.

**Dependent Properties**  
Some businesses can suffer a significant drop in revenue due to a loss at someone else's property. They are referred to as dependent properties and there are four types; Manufacturer, Recipient, Contributor and Leader.

Are you a manufacturer of parts and you sell your goods to just a handful of customers? What would happen to your sales if one of your 3 customers sites (the Recipient) burns to

the ground? On the flipside, are you the Recipient company that relies on a specific part from the manufacturer (the Contributor) and their factory has just suffered a major loss that will halt all manufacturing for several months?

If you design a product but don't build it yourself then the firm you contract out to is the Manufacturer Dependent Property type.

Leader properties can be compared to "Anchor stores". These are properties that attract business to the area. If the NFL had heard my prayers and not reached an agreement to the lock out and we had no professional football this year, the hotels, restaurants, and other businesses surrounding the sports arenas would certainly suffer financially. While my prayers did not include anyone other than over-paid professional sports "heros" to lose money, if those surrounding businesses listed the sporting arena as their Leader location they would have insurance coverage for those losses.

**Extra Expense**  
If the building where my insurance agency is located is whipped away in a tornado, I'm going to need to find an alternative location to do business until the building is rebuilt. Perhaps the lease I sign at my new location is \$200 more than my lease was at my former location - Extra Expense. I'll need to put some sort of signage out where my old building used to be to let people know where I've moved to - Extra Expense. I'll need to advertise in publications, namely The Windsor Journal, where my new temporary location is. Extra Expense. You get the point, I'm sure. Extra Expense provides coverage for extraordinary costs you incur to continue business after a loss. There is no 72 hour waiting period on Extra Expense.

This article is not meant to cover every coverage aspect of Business Income insurance coverage, but to get you thinking about how your own business is insured. As I stated earlier, figuring out what kind and how much business income insurance your company needs can be a complicated process. However, not taking the time to properly insure yourself with the appropriate Business Income coverages could be detrimental to your business. Contact your local Independent Insurance Agent for advice.

## SCHOOLS

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listening to poetry, singing songs and sharing interesting tree facts and quotes. They also made little pinwheels for peace, held a reader's theater with Shel Silverstein's, The Giving Tree and flew a giant-sized Peace Dove made from a pattern supplied by Environment Online.

Each celebration concluded with a joint effort between the town and the schools, when Jim Govoni, Windsor Tree Warden, arranged the donation and planting of four Limelight Hardy Hydrangea trees. Mr. Govoni also spoke to the students at each school sharing important information about trees, plants and conservation.

The Windsor elementary schools would like to express their deepest gratitude to Jim Govoni and the town of Windsor for participating in and helping to provide this educational experience for its students for the last 5 years. As of this date, around the world, 11,906,142,294 trees have been registered as having been planted.

J.F.K. Challenge Teacher, Julie Roebelen, coordinated the plantings for fellow colleagues Lisa Thomas (Clover Street), Nancy Miner (Ellsworth) and Mary VanDerMeid (Poquonock) making it possible for students to observe and participate in this global outreach project.

*Photo on page 1 courtesy of Julie Roebelen*