



## SUMMER MEETING 2021

## SUMMER MEETING 2022: JULY 22-23, 2022

How do we define a successful MFPA Summer Meeting? That is in the eyes of beholder, of course. For staff, we hope and pray for good attendance, the venue to be great, the speakers to be informative, the food to be excellent, the audio visual equipment to perform, and the association, our causes, and charities to make some money. Members want the same as staff regarding the venue and food, but they also want to have the opportunity to visit with fellow industry and associate members, learn something from speakers that can benefit their business, relax, and have fun.

On Wednesday, July 21, 2021 we learned that The Oasis, our 2021 Summer Meeting venue, had embarked on an indoor renovation of their atrium area, drained the expansive indoor pool, hot tub, and lazy river and our members who had reserved a room adjacent to the pool had an awesome view of scaffolding and other construction paraphernalia. The selection of The Oasis in late 2019, to host the 2020 meeting that was cancelled, was largely based on the awesome indoor recreation area that would have been great for families and we were very unhappy to learn of the renovation one day prior to our 2021 beginning. We sincerely apologize for the inconvenience that this caused our members. Needless to say, The Oasis did not meet our expectations, they had lots of excuses, and we will not return.

The lingering effects of the pandemic certainly impacted the Summer Meeting attendance, understandably so. About 55 member companies, representing 150 people, attended the meeting and they were determined to make the fundraising successful. Attendees, and those that could not attend but purchased raffle tickets or made other donations, raised over \$8000 for Log-A-Load and \$12,000 for the PAC. A TREMEMDOUS THANK YOU TO EVERYONE THAT CONTRIBUTED TO OUR FUNDRAISING, the silent and live auctions were very successful, despite the soft attendance.

A very special part of the evening is when MFPA presented the Children's Miracle Network a check for \$30,000 bringing our total contribution to over \$250,000!!

Congratulations MFPA members, you are helping to save the lives of very sick babies!

SAVE THE DATE TODAY, PUT IT ON THE CALENDAR, JULY 22-23, 2022 WILL BE NEXT YEAR'S SUMMER MEETING!

Our next venue will not be under construction!!



# If You Want Something Insured Right Insure It Yourself

## MISSOURI WOOD INDUSTRY INSURANCE TRUST

offers workers compensation insurance designed for Missouri's forest products industries.

AT MWIIT, WE . . .

- fight fraudulent claims
- provide specialized loss prevention services
- have claims adjusters who listen
- provide insurance at cost

For further information or quotations, call our toll free number

**800-821-7703**

Endorsed by



## Missouri Wood Industry Insurance Trust

c/o Haas & Wilkerson

4300 Shawnee Mission Pkwy, Fairway, KS 66205

Phone (913) 432-4400 Fax (913) 432-6159

## WELCOME NEW MFPA MEMBERS

**Company:** SDH Farms

**Contact:** Steve Harrison

**Phone:** (573) 465-1500

**Email:** harrison65401@yahoo.com

**County:** Phelps

**Company:** TriState Truck Center

**Contact:** Noah Gates

**Phone:** (417) 869-0566

**Email:** ngates@tristatetruck.com

**County:** Greene

**\*\*REMINDER\*\***

**ONE CE IS REQUIRED ANNUALLY TO RETAIN THE PTH CERTIFICATE**

We know it takes the right tools to run a successful business. We understand the impact the forest products industry has on Missouri, but especially rural Missouri. Our passion for rural Missouri drives us but our experience and knowledge sets us apart from other lenders.



Real Estate Loans



Operating Loans



Leasing



Term Loans

Growing Relationships. Creating Opportunities.™

- ✓ Competitive rates with longer terms
- ✓ Flexible payment schedules to match your cash flow
- ✓ Experienced staff to make your financing process simple
- ✓ Finance options to meet your specific needs



**FCS FINANCIAL**

Growing Relationships. Creating Opportunities.™

A FARM CREDIT COOPERATIVE

Contact Phillip Anderson:

**1.800.379.3276**

WWW.MYFCSFINANCIAL.COM



Growing Relationships. Creating Opportunities. is a trademark of FCS Financial, ACA.



# LIFE INSURANCE: AVOIDING THE TRIFECTA OF TAX TROUBLE

It's a fact that the vast majority of MFPA business owners own life insurance. How they own their life insurance could mean lost taxes sometimes in the millions of dollars depending on the size of the policies. Many MFPA business owners are under the impression that life insurance payouts are always tax free..... not so fast.

Life insurance is supposed to be one of the last true tax free assets available. And that statement would be both right AND wrong. Yes, contractually the growth of life insurance cash values and death benefits are tax free. However, if the policy ownership structure is incorrect, the death benefit – the largest piece of the life insurance pie - will absolutely be taxable!

Below are three common, yet avoidable, tax traps that business owners often fall into.

1. Pension Protection Act of 2006. If an entity (corporation, LLC, partnership, etc) takes out an insurance policy on any employee, including the owner(s) of the company, an "Acknowledgement and Consent" form must be signed by the proposed insured prior to the policy being issued in order to avoid the entire death benefit being subjected to income taxes. Yes, that's right the entire death benefit in this situation will be income taxable.

If the policy has a death benefit of \$5,000,000, as an example, more than \$1,000,000 will be lost to taxes simply because a basic form wasn't signed. As a point of reference, many insurance companies do not include the Acknowledgement and Consent form with their standard application packages, so do not assume that one may have been signed. In addition, IRS Form 8925 is to be filed with the company's tax returns each year that the policy is in existence.

The bad news is that there is no "do over" if an Acknowledgement and Consent form wasn't signed prior to policy issue. The IRS will not accept a signed form at a later date. The only choices at that point are to keep the policy and have a taxable death benefit or scrap the policies and start new.

2. Three Party Contracts. A three party contract comes into play when a business owns a policy on an employee, many times the owner of the company, and the owner's spouse is named the policy beneficiary.

This constitutes a three party contract: Party 1 is the company as owner of the policy, Party 2 is the employee/owner as the insured, and Party 3 is spouse as the named beneficiary. Depending on the size of the policy, hundreds of thousands and possibly millions of dollars will be paid in income taxes that could have easily been legally avoided. There are solutions to guard against this but it's critically important to work with specialists that understand both life insurance and tax law.

3. Estate Inclusion: Life insurance often plays a very significant role in estate planning matters, specifically providing the needed liquid funds to satisfy taxes and other liquid obligations. Estate taxes come due nine months after the date of death and there are various ways to pay the tax bill in addition to life insurance. Other examples include using cash from the estate, borrowing the money or selling illiquid assets.

## Don't Cut CORNERS ON INSURING YOUR SUCCESS.

When it comes to choosing someone to help you insure your success, you want to be sure they don't leave you out on a limb when you need them.

Haas & Wilkerson is an independent insurance agency that specializes in insuring sawmills, pallet mills and all types of lumber and woodworking-related businesses.

For further information or quotations, call our toll free number

800-821-7703



HAAS & WILKERSON  
INSURANCE

4300 Shawnee Mission Pkwy  
Fairway, KS 66205

INSURING YOUR SUCCESS

## LIFE INSURANCE... continued from page 3

As an example, if a business owner owes \$1,000,000 in estate taxes, the out of pocket cost to pay can be quite different. Of course, using cash will be dollar for dollar; however, if the \$1,000,000 needs to be borrowed the cost will be \$1,000,000 as well as interest payments until the loan is satisfied and if illiquid assets are sold in a fire sale situation, it's very unlikely to receive true value for the asset which means the actual value of assets sold will be more than \$1,000,000 in order to net \$1,000,000.

This brings us back to life insurance, the premiums paid to create a \$1,000,000 death benefit are typically significantly less than the other options available. The life insurance strategy effectively "discounts" the \$1,000,000 that is owed.

Great caution must be taken, however, to assure that the death benefit remains both income and estate tax free. If a policy is personally owned or the business owns the life insurance on a majority owner of the company, the entire death benefit will be added to the business owner's estate at death and be fully includable in the estate thus becoming estate taxable. At the current 40% federal estate tax rate, after exemption, this will cause \$400,000 owed in estate taxes that could have easily been avoided.

In summary, proceed carefully prior to implementation of life insurance in order to avoid the trifecta of tax trouble. It is never beneficial turning what is supposed to be a tax free asset into one that becomes taxable.

Leon B. Resnick and Terrance K. Resnick, partners in Resnick Associates / Resnick Succession Group are nationally recognized business succession, estate planning and life insurance advisory and implementation specialists with offices in Kansas City and Philadelphia, PA. The Resnick brothers recently spoke at the MFPA 2021 Summer Meeting in Springfield. The firm works with business owners throughout the United States, assuring successful preservation of their businesses and non-business assets.

You can reach Lee at [lee@resnickassoc.com](mailto:lee@resnickassoc.com) or by phone at (913) 681-5454 and Terry at [terry@resnickassoc.com](mailto:terry@resnickassoc.com) or by phone at (484) 879-4674.



**IN STOCK AND ON ORDER**

**4900SB 1 ALLISON 1 18 SPD / 6 4700SF ALLISON 4700 / 5 4700SF DAY CAB 18 SPD AND ALLISON SERCO 8500 WITH SERCO GRAPPLE AND PALFINGER 32' DOUBLE SQUIRT IN STOCK  
ALL 2022 YEAR MODELS AND BUILDING THIS YEAR AND BEFORE NEXT YEAR PRICE INCREASES  
49X LOG TRUCK WITH DD16 AND ALLISON 4700 COMING IN JULY**



**Bill Merical 901-482-5644 [bmerical@crowstruck.com](mailto:bmerical@crowstruck.com) [crowstruck.com](http://crowstruck.com)**



**Ensuring Your Business  
Lasts As Long As We Have**

***Property & Casualty and Employee Benefits  
Solutions For***

**Sawmills • Pallet Manufacturers • Lumberyards  
Secondary Manufacturers • Distributors  
And All Companies in the Wood Products Industry  
*Serving the Midwest Since 1921***

**Cape Girardeau – Tamara James (Bullard): 573-388-4832  
Saint Louis – Jim Ruebsam: 314-444-1993  
[www.danielandhenry.com](http://www.danielandhenry.com)**

**THE DANIEL AND HENRY CO.**  
INSURANCE AND RISK MANAGEMENT

# 2021 MFPA Annual Summer Meeting!!

## MFP PAC and Log A Load for Kids Auction and Raffle Item Donors Thank you!

Ambassador Enterprises  
B & K Manufacturing, Inc.  
Baker Products  
Burke Sawmill, Inc.  
D & D Hardwood, Inc.  
Freedom Products Company, Inc.  
Gross & Janes Company  
Jarvis Timber Company LLC  
McClain Forest Products LLC  
McGinnis Wood Products, Inc.  
Ozark Charcoal  
TAG Truck Center  
University Of Missouri Children's Hospital

## Special Thank You to Our Summer Meeting Sponsors!

Arneson Timber Company, Inc.  
Botkin Lumber Company, Inc.  
Cedar Creek Hardwoods, Inc.  
East Perry Lumber Company, Inc.  
Foster Brothers Wood Products, Inc.  
Gross & Janes Company  
Holden Pallet Company, Inc.  
Independent Stave Company, Inc.  
John Evans Logging LLC  
Madison County Wood Products, Inc.  
McClain Forest Products LLC  
McGinnis Wood Products, Inc.  
Missouri Fibre Corporation  
Missouri-Pacific Lumber Company  
Mueller Brothers Timber, Inc.  
Naeger Forest Products, Inc.  
Norman Lumber Company  
Pennsylvania Lumbermens Mutual Insurance  
Rustic Wood Products, Inc.  
Tag Truck Center  
The Daniel and Henry Company  
The Mine Supply Company  
TriState Truck Center  
Turner Logging LLC



**TRUSTED BY MILLS FOR 100 YEARS!**

### Join the Gross & Janes Network

For 100 years, Gross & Janes has nurtured an extensive sawmill provider network. Today, we purchase crossties and switch ties from more than 125 independently owned and operated mills, many of them multi-generational businesses, with the same family values that are shared by Gross & Janes. We build decades-long relationships, and together we provide a superior product for our Class 1 and shortline railroad customers. We are proud of the history we have built together with our producing partners. Call us to learn how you can join our provider network.

102 North Clay Ave., Kirkwood, MO 63122 • (636) 343-8484 • [www.grossjanes.com](http://www.grossjanes.com)

# Associate Member Exhibition at the Summer Meeting

The annual MFPA Associate Members Exhibition was held Friday evening in association with the Welcome Reception BBQ. Our appreciation goes out to the Associate Members that participated in the event. We hope MFPA's Industry and Logging Members attending the meeting took the time to make contact with our Associate Members and used the opportunity to develop professional relationships among MFPA member businesses. Please contact our Associate Member Exhibitors for your products and services needs. This year's Associate Member Exhibition participants included:

## **Ambassador Enterprises LLC**

Michael Nelson  
(636) 634-1354  
nelson5@earthlink.net

## **Kagmo Electric Motor Company**

Colton Rinker  
(731) 592-3374  
colton@kagmo.com  
www.kagmo.com

## **Husqvarna Group**

James Miller  
(816) 868-7436  
james.miller@husqvarnagroup.com  
www.husqvarnagroup.com

## **MFA Oil Company**

Doug McDaniel  
(573) 814-9188  
dmcdaniel@mfaoil.com  
www.mfaoil.com

## **Naught-Naught Agency**

Jeff Baggett  
Tim Eastin  
(573) 746-2305  
jbaggett@naught-naught.com  
teastin@naught-naught.com  
www.naught-naught.com

## **The Daniel & Henry Company**

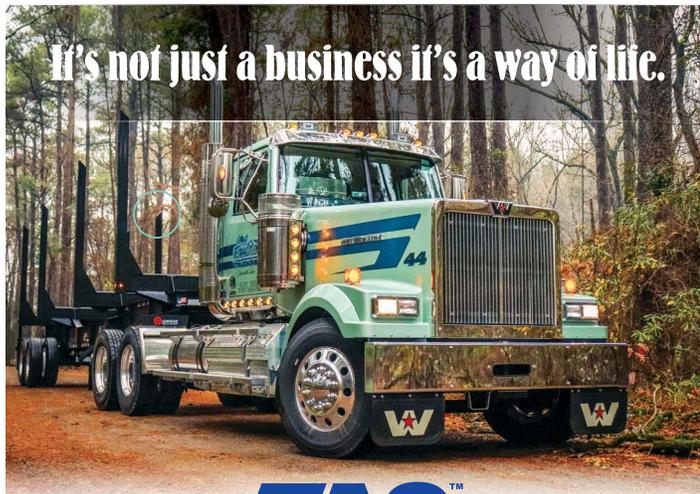
Jim Ruebsam  
Tamara James  
(314) 444-1993  
(573) 388-4832  
ruebsamj@danielandhenry.com  
jamest@danielandhenry.com  
www.danielandhenry.com

## **The Mine Supply Company**

Ken Sumpter  
(573) 244-5416  
ksumpter@theminesupplyco.com  
www.theminesupplyco.com

## **Vecoplan Midwest LLC**

Mike Proost  
(314) 526-9176  
mproost@vecoplanmidwest.com  
www.vecoplan.com



**It's not just a business it's a way of life.**

**TAG**  
TRUCK CENTER

## **TAG TRUCK CENTER FARMINGTON**

2880 Hwy 67 South  
Farmington, MO 63640  
573-747-0190

## **TAG Truck Center Farmington, MO**

**is an authorized Western Star dealer.**

Truck and Trailer Sales, Parts, Service and Customer Service are "Standard Equipment" at TAG Truck Center Farmington.

## **We stock new and used Western Star Trucks and vocational trailers.**

Financing and insurance products are available for trucks, trailers and up-fit rigging and can be included with financing.

*For more information contact:*

**Zach Caudle**  
**Truck and Trailer Sales**  
**573-747-0190**



**TNTXTruck.com**



505 East State Street  
Jefferson City, MO 65101-3038

PRSRT STD  
U.S. POSTAGE  
**PAID**  
Jefferson City, MO 65101  
Permit No.239

**Ask about MFPA Rebates !**

Established in 1956  
Jenkins Diesel combines  
Tradition, Innovation and Excellence  
providing Sales, Service & Parts for  
Western Star 4700 & 4900 models  
for OTR and vocational application.



**Jenkins Diesel**

1845 E Blaine St, Springfield, MO. 65803  
[www.jenkinsdiesel.com](http://www.jenkinsdiesel.com)

*Jenkins Diesel Power*  
**60<sup>th</sup>**  
*Anniversary*  
1956 - 2016

Tradition, Innovation, Excellence



SALES \* SERVICE \* PARTS



Contact Jeremy Simpson  
417-425-6004 or  
[jeremy.simpson@jenkinsdiesel.com](mailto:jeremy.simpson@jenkinsdiesel.com)



**DETROIT DIESEL**

