

# Newsletter – April 2010

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## Words of Wisdom

Watch your thoughts - they become words  
Watch your words - they become actions  
Watch your actions - they become habits  
Watch your habits - they become character  
Watch your character – for it becomes your destiny

....Unknown

## Employee withholding rises

The new Pub.15 includes new wage withholding tables for 2010. The Making Work Pay Credit continues for another year, but the new withholding tables spread the benefits over 12 months. In 2009, the credit was spread over nine months because it was enacted after the start of the year.

### Standard Mileage Rates For 2010

	<u>2009</u>	<u>2010</u>
Business:	55 cents per mile	50 cents per mile
Medical:	24 cents per mile	16.5 cents per mile
Charitable Rate:	14 cents per mile	14 cents per mile

# Time Management

## Doing battle with the clock ? 4 ways to win the game.

You're swimming in e-mails, phone calls, "quick questions", interruptions... and it's only 10am. How do you find time to be "strategic" – or even get to that one project you planned to complete today? Here are a few tips on becoming more efficient:

**1. Beat clutter with the "D" system.** Every document and e-mail you receive should be discarded, deleted, done, dated ( as in, when you'll do it ), drawered (filed) or deterred (forwarded to someone else). The goal? Handle each piece of paper or e-mail once.

**2. Manage interruptions.** You can't stop people from dropping by or calling. But you can determine how much you'll react to their requests. Decide within the first minute whether to deal with the issue on the spot or whether you need to schedule time for a longer conversation.

**3. Make a daily plan.** Block out time for what you want to accomplish in a day. Schedule high-focus tasks for the time of day when you 're most alert. Ideally, you want to tackle your top priority within 20 minutes at the start of the day. Set aside five to 15 minutes for planning first thing in the morning and at day's end.

**4. Prioritize tasks: It's as easy as ABC, 1-2-3.** At the start of the week, list five things you have to accomplish during that week.

## Does a Roth Conversion Make Sense for You?

While there are numerous benefits associated with Roth IRAs, you need to weigh these against the taxes you will incur. If you have to use money from an IRA or other tax-deferred accounts, such as a 401(k), to pay the tax bill , it may not make sense to convert. You should also consider whether your tax rate in retirement will be more or less than it is now. Given these issues, you may wish to consult with your financial professional or accountant. He or she can review your individual situation and determine if a ROTH IRA conversion is appropriate.

### Consider converting to a Roth if...

- The amount in your existing IRA is small.
- Most of your existing IRA contributions are non-deductible, which would minimize the taxes due on the conversion.
- Your retirement is many years away.
- You believe the potential tax-free payout outweighs the up-front taxes due when you convert.
- Your retirement tax bracket will be the same as, or higher than, your current bracket.

### Quick Facts

	<u>Traditional IRA</u>	<u>Roth IRA</u>
Contributions compound tax deferred	Yes	Yes
Tax-deductable contributions	Yes *	No
Tax-free withdrawels	No	Yes
Required minimum distributions at 70 ½	Yes	No

\* Based on income levels, marital status, and participation in employee- sponsored Retirement plans.

## Health Care

Will the health care bill reduce cost increases? Ask again in five years. It will take that long before anyone can say with certainty whether provisions designed to rein in spending actually succeed. Some will create pilot programs that need to be tested. Others await details that regulators will have to fill in. Some depend on how insurers, individuals and companies react. And still others will require that Congress follow through on cuts in Medicare and other programs. In short, the potential is there, but it's the follow through that matters most.

One thing is for sure : Higher taxes will be part of the health care mix. For individuals making over \$200,000. ( couples over \$250,000)...after 2012, they'll pay a 0.9% Medicare surtax on earnings over those amounts and a 3.8% levy on unearned income. Flex plan payins are capped at \$2,500 from 2013 on. The floor on itemizing medical expenses will rise to 10% of AGI for filers under 65 in 2013 and for those 65 and up, in 2017. A 40% excise tax on high cost plans starts in 2018.

For companies with 50 or more workers that don't offer health coverage, a fee of \$2,000 per worker minus \$60,000 will be assessed beginning in 2014. Businesses with 25 or fewer workers and an average employee salary of less than \$50,000 a year will get a tax credit...up to 35% of their health coverage costs.

## Verify Charitable write-offs

How can you check out an organization's status? The easiest way is to investigate it online. Here are three top resources.

- 1. IRS web site:** The IRS maintains a list of tax-exempt organizations. Go to [www.irs.gov/charities/article/0,,id=96136,00.html](http://www.irs.gov/charities/article/0,,id=96136,00.html) to access the list in Publication 78, Cumulative List of Organizations. If you have other questions, contact the IRS at (800) 829-1040 or obtain copies of Publication 526, Charitable Contributions, and Publication 561, Determining the Value of Donated Property .
- 2. Other web sites:** Search out and evaluate more than 700,000 charities at GuideStar at [www.guidestar.com](http://www.guidestar.com). Other good sources are CharitableWay at [www.charitableway.com](http://www.charitableway.com) and the National Center for Charitable Statistics at [www.nccs.urban.org](http://www.nccs.urban.org).
- 3. Better Business Bureau (BBB):** The BBB provides a wealth of information at [www.bbb.org/charity](http://www.bbb.org/charity). It also publishes a "Wise Giving Guide" evaluating hundreds of charities. Call (800) 575-4483 or visit [www.bbb.org/us/wise-giving-guide](http://www.bbb.org/us/wise-giving-guide).

**Tip:** Just having an ".org" extension isn't enough. Don't make unwarranted assumptions about charities.

## Slow down your listening!

How many times do you find your mind wandering when someone is talking to you ? No, you're not abnormal. And you don't have attention deficit disorder. Most people speak at an average rate of about 120 words a minute . But most people can *listen* about four times faster. So your mind fills in the gaps by thinking of other things. Be aware of this and *slow down your listening*. Force yourself to stay focused, so that you can really comprehend everything the speaker is saying.

## Green Regs

New lead paint rules will reach further than many businesses may realize. Electricians, plumbers, HVAC technicians and others fall under the regs, which go into effect on April 22, 2010. They require any contractor who repairs, renovates or paints homes built before 1978 to have at least one employee undergo training and be certified. Time and cost are relatively modest: 8 hours and \$200-\$250. But...A shortage of trainers may stall projects and subject contractors to fines, which can amount to a whopping \$25,000 per day of noncompliance with the rules.



## ***DUE DATES***

### ***April***

- ***15<sup>th</sup> Individual Income Tax Returns***
- ***15<sup>th</sup> Payroll Tax Deposits***
- ***15<sup>th</sup> Business Licenses***
- ***15<sup>th</sup> Estimated Income Tax***
- ***20<sup>th</sup> Sales/ Hospitality Tax***
- ***30<sup>th</sup> Quarterly Reports***
- ***30<sup>th</sup> IFTA***
- ***30<sup>th</sup> PT-100***

### ***May***

- ***17<sup>th</sup> Payroll Tax Deposits***
- ***20<sup>th</sup> Sales/ Hospitality Tax***

### ***June***

- ***15<sup>th</sup> Payroll Tax Deposits***
- ***15<sup>th</sup> Estimated Income Tax***
- ***21<sup>st</sup> Sales/ Hospitality Tax***
- ***30<sup>th</sup> PT-441***