

In this issue, the first in a series on planning for retirement.

Also: tax strategies for the current economic climate, and a reminder for small businesses.

DWORKEN, HILLMAN, LAMORTE & STERCZALA, P.C.

Being GREEN = Emailing future issues!  
Please send your current email address to Lynn at [lynnb@dhs.com](mailto:lynnb@dhs.com)  
(Addresses of colleagues & friends are also welcome.)



## Welcome to NOW!

We welcome you to the restoration – the reincarnation – and the rebirth of our DHL&S client newsletter, now titled NOW!

We have always enjoyed publishing a newsletter for our clients. It's an excellent way for us to communicate new legislation to keep you current and upcoming deadlines to keep you compliant. We look forward to circulating information, trends, and tips that will be helpful in making those important financial decisions. And, because we are a Firm made up of people with exciting lives, we want to share some of our own DHL&S news so that you can get to know us better.

Every 2-3 months, you will receive an email with a link to a PDF version of our newsletter. You can easily print it, or you can save it to a DHL&S Electronic Newsletter folder.

In our first issue, we revisit the practice of Personnel Financial Planning (FP)—a process that everyone should initiate and update on a regular basis throughout one's career. It is often the kind of task that gets shoved down the list, just after rewriting the company redundancy documents or cleaning out the family garage. We put it off because it takes time and a lot of thought and, well, right now it might not be an uplifting experience! But this is the right time for FP, and we can help you create a plan that prepares you for a comfortable future, a VERY encouraging thought that's nice to have in any economic climate. ■



## Personal Financial Planning

FIRST IN A SERIES

### Step 1: Do you know the weather forecast?

At this time, financial planning can seem as uncertain as a vacation at the beach during hurricane season. Did we make the right decision? Is it time to bail out, or should we batten the hatches and hunker down? Will we be safe if the storm gets worse?

Good planning is always important—during both turbulent and more stable times. It may be difficult to save when just meeting your expenses is a challenge every month, but think about it: even if you can't put your retirement money aside now, crafting a well thought-out retirement plan can help ensure that you will begin your savings commitment as soon as you have that opportunity. And knowing that you have a plan is like a walk on the beach on a sunny day—it's great for your peace of mind!

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## From Lemons to Lemonade

The good news is that some strategies may benefit from a down economy. If any of the following interest you or seem applicable to your situation, we recommend that you discuss them with your financial advisor, as this may be an optimal time to execute one or more of these strategies.

**Lemon:** Depressed asset values.

**Lemonade:** If you are eventually planning to transfer assets, more assets can be transferred within the limits of the gift tax annual exclusion amount (\$13,000 for 2009) and the lifetime applicable exclusion amount (\$1 million).

**Lemon:** Declining real estate values.

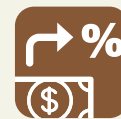
**Lemonade:** Consider giving adult children low interest rate loans—or a combination loan/gift—to help them buy their first homes. While interest-free loans may be problematic from a tax standpoint, you could charge an interest rate equal to the IRS-approved applicable federal rate (AFR) or higher.

**Lemon:** Low interest rates.

**Lemonade (or alphabet soup):** Consider GRATs (Grantor Retained Annuity Trusts), IDGTs (Intentionally Defective Grantor Trusts), or CLATs (Charitable Lead Annuity Trusts), irrevocable trusts which benefit the donor as well as the recipient when interest rates are low. ■

*(source: Thomson Reuters/Practitioners Publishing Company)*

## Tax Breaks for Small Businesses



The IRS urges small businesses to act now to take advantage of tax breaks included in the American Recovery and Reinvestment Act of 2009, with a reminder that some of these changes are only available this year.

Key small business provisions in the Act: extension of the 50% bonus depreciation; increased Section 179 deduction; expanded net operating loss carryback; exclusion of gain on the sale of eligible small business stock; estimated tax requirement changes; COBRA tax credit. ■

*(source: Thomson Reuters/Practitioners Publishing Company)*



### What's your financial planning temperature?

First take a moment and answer the following on a scale of 1-5, 5 being most positive:

1. \_\_\_\_\_ I am confident that my investments are properly allocated given my age and **current** needs.
2. \_\_\_\_\_ I will **definitely** have enough money to live comfortably after retirement.
3. \_\_\_\_\_ My children's education costs are not currently fully funded, but I have a **plan** in place which will provide the necessary funds.
4. \_\_\_\_\_ My will **fulfills** all my current wishes.
5. \_\_\_\_\_ I feel **comfortable** with my life insurance (type, amount, beneficiaries, ownership, etc.)
6. \_\_\_\_\_ I am fully satisfied with the amount of **estate taxes** to be paid upon my death.
7. \_\_\_\_\_ My children's education costs are **fully** funded.
8. \_\_\_\_\_ If I died suddenly, I have a comprehensive survivor plan in place to adequately **protect** my spouse and minor children, if any.
9. \_\_\_\_\_ The earning power of my investments is being **maximized**.
10. \_\_\_\_\_ My family is **protected** should I become disabled.

If your total is 40 - 50, your Financial Planning temperature is in a very comfortable range. You've earned that day at the beach. However, if your reaction to some of these statements generates anxiety, you are in the majority.

According to a recent Wall Street Journal/Harris Interactive Personal Finance Poll, 24% of all working adults between the ages of 18 and 55+ **have not** started retirement planning. The two biggest surprises?

1. 22% of adults age 45 - 55 have yet to start retirement planning.
2. The poll was conducted March 2008, before all the Category 5 financial hurricanes hit!

The sooner you have a plan, the easier it will be to attain all of your financial goals and, like many things in life including four course meals, the best place to begin is at the end.

### What are your financial goals?

An important Yogi Berra-ism: *"If you don't know where you're going, you'll end up somewhere else."*

Like, at work. Instead of strolling on your retirement beach.

But know where you are going, and you're sure to get there.

To help determine your financial goals, you can use one of the financial tools on our website, [www.dhls.com](http://www.dhls.com). From the home page, click on the calculator. This will take you to our "Financial Tools" page where you will find many interactive tools to assist you with some of your day-to-day questions and concerns. As we say on our website, while these tools are not a substitute for financial advice from a qualified professional, they can be used as a starting point in your decision-making process.

## DHL&S Family News and Events

Congratulations to **Kathryn Regan**, Senior Accountant, on passing the CPA exam and to **Gabriel Rosado** for his promotion to Senior Tax Accountant!

And a warm welcome to three new staff accountants who are joining our DHL&S team in August: **William Gallagher**, **Michele St. Peter** and **Nicholas Valli**.

For example, "Retirement Planner," one of the tools under "Retirement Calculators," allows you to change many variables including your expected rate of return for working and retirement years, the percent of income you plan to contribute, and your ideal retirement income. The Planner then lets you know when your retirement income will run out. You may learn that you will be able to afford ocean-front—just not for very long! If that happens, you can easily adjust your variables to produce different outcomes.

After viewing the summary, be sure to click on "View Report" for the detailed analysis of the results.

The tools are simple to use and will help you establish a good foundation for your retirement planning. If you would like some help in choosing your input, or if you like your results but need help with a roadmap for getting there, simply call one of our principals at (203) 929-3535. We are available to work out a program, which could be very simple or a more complex arrangement of investments and tax advantaged strategies, to help achieve the necessary asset accumulation.

With a solid plan in place (and after you finish those redundancy documents and clean out the garage), you can sit back and enjoy the present knowing that you have more control over your future. ■