



Your Taxes and Financial Matters

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Music News

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An Extraordinary Life Dedicated to Polish Music

With great sadness we note the passing of Wanda Wilk, a great patron of Polish music, magnificent philanthropist, and dedicated educator. She died in her Los Angeles home on February 18, 2009, after a long illness. A person of many talents and great organizational skills, Wanda Wilk will be remembered chiefly for her extraordinary vision in service to Polish music that led to the creation of the Polish Music Center at her alma mater, University of Southern California. Thanks to the endowment jointly made with her husband, Dr. Stefan P. Wilk (1917-2008), Polish Music Center has operated on the USC campus under the auspices of the Thornton School of Music since 1985.

Appointed by the USC Dean of Music, Wanda Wilk served as Director of the Polish Music Center for the first ten years of its operations. After retiring in 1996, she continued as the Center's Honorary Director, advising and supporting the two subsequent Polish Music Center directors and the staff. Wanda Wilk's extensive contacts with many of the most prominent Polish musicians of the twentieth century led to numerous concerts she organized at USC and throughout Southern California. Thanks to her generous support and outreach, artists like Witold Lutosławski, Henryk Górecki, Stanisław Skrowaczewski, Krystian Zimerman, and Piotr Anderszewski, performed and lectured for local audiences.

The Center continues to serve as an important Southern California library with its extensive holdings of Polish music scores, books, periodicals, sound recordings, and other reference materials. With the initial gift of five manuscripts of large-scale orchestral works from Lutosławski and three manuscripts from Skrowaczewski in 1985, the Polish Music Center's Manuscript Collection grew to currently include well over 100 manuscripts by such composers as Grażyna Bacewicz, Tadeusz Baird, Joanna Bruzdowicz, Krzesimir Dębski, Zygmunt Krauze, Hanna Kulenty, Szymon Laks, Krzysztof Meyer, Roman Palester, Krzysztof Penderecki, Marta Ptaszyńska, Bogusław Schaeffer, Romuald Twardowski, and Lidia Zelińska, among others. Most recently, Wanda Wilk's efforts led to the donation of manuscripts, correspondence and memorabilia of Zygmunt Stojowski and Henry Vars.

In addition to devoting her boundless energy and considerable resources to expanding the Center to a world-class institution, Wanda Wilk, an active and gifted writer, also wielded her elegant pen in praise of Polish music. Thinking big was her preferred modus operandi, and a series of books on the history of Polish music was introduced with Wanda Wilk's concise volume commemorating Karol Szymanowski's centenary in 1982. Since then the book cycle launched and inspired by Wanda Wilk has grown to include ten volumes on such composers as Grażyna Bacewicz, Frederic Chopin, two more volumes on Karol Szymanowski, as well as monographs on Józef Koffler, Maria Szymanowska, and Zygmunt Stojowski. Although experts from all over the world were engaged as authors, Wanda Wilk presided as Editor-in-Chief, keeping the style and substance of the Polish Music History Series at the highest academic level. This she did for the first six volumes and, at the same time authored numerous articles about Polish women composers and other subjects pertaining to the history of Polish music for various Polish-American media.

An early pioneer and believer in disseminating information over the World

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Legal

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How to maintain your permanent residence if you are out of the United States for long periods of time

Q: I have a brother who got his "green-card" in October 2007. He left the U.S. in July 2008 on a work assignment. He will be back to visit in May 2009, but will need to return to his job after a few weeks. He is trying to keep his U.S. resident status as he will be coming back to the U.S. permanently at some point in the next few years. I have several questions regarding what he should do to maintain his green card while he's outside the U.S. temporarily:

1. *Will he have difficulties getting back into the country when he comes back this year?* At the border, he may be questioned a little about why he was out of the country for almost one year. They are much more aggressive with permanent residents now who are outside the US for more than 6 months. But given that he was on a temporary work assignment and was assigned elsewhere temporarily, I think that they will let him in.
2. *Does he need to apply for I-131 Application for Travel Document?* Yes. He should definitely do so when he's in the US. You can only apply here.
3. *Is it enough if he travels to the U.S. once or twice a year for a few weeks? If this is not enough, what should he do, how can he establish that his residence is here as well?* This is a complicated and difficult issue. It's become more difficult as the government has established better record-keeping and computer data bases available at all the borders and consulates. They all share the same computerized records of when people depart the US and when they come back. This makes it easier for the government to claim that one has "abandoned" his permanent residence. Getting the Travel Document will help. He should get the reentry permit and maintain a "residence address here", a driver's license, ID card, and file residence tax returns every year. This should allow him to keep his permanent residence for 2 years. After that, it becomes increasingly risky the longer he stays outside the US. He can keep applying for the Re-entry permit every two years, but at some point, the government may conclude that he has abandoned his permanent residence. Coming here for a few weeks a year will help, but not guarantee that the government will not claim he gave up his status. The only way to truly be safe in that regard would be to stay here for more than six months each year.
4. *Does he need to or should he file taxes in the U.S.?* Yes. It must be resident tax returns.
5. *Would he still be qualified for naturalization 5 years after he got the green card?* No. He needs to spend 50% of his last 5 years in the US prior to applying. If he is continuously stationed overseas, he will have to wait indefinitely for naturalization. □

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Mówimy po polsku

Can you deduct a Roth IRA loss?

Did you liquidate your Roth IRAs in the aftermath of last year's stock market decline? If so, you might be able to claim an itemized deduction on your tax return.

Here's how the rules work.

While investment losses inside IRAs are typically not deductible, in some cases you can take a write off when you close accounts you funded with after-tax money. That's because nondeductible contributions are considered "basis." For Roth IRAs, basis also includes amounts you converted from traditional IRAs, reduced by your prior withdrawals.

If the total amount you receive when closing all of your Roths is less than your basis, you have a loss that you may be able to deduct once you withdraw the balance in all of your Roth accounts.

Example. After you open a Roth IRA with a \$5,000 contribution, the value of the account falls to \$1,200. You decide to cash out. Assuming this is your only Roth account, you have a loss of \$3,800 (\$5,000 minus \$1,200).

The loss is a miscellaneous itemized deduction, which means you're required to reduce it by two percent of your adjusted gross income. The Alternative Minimum Tax rules may also limit the amount you can claim.

In addition, you have to take the loss in the tax year you close your accounts. No carryover is available.

Unemployment benefits are taxable

Unemployment compensation can provide a welcome buffer while you're transitioning to a new job. But with the help comes a tax effect, because the benefits provided under federal or state laws are usually includable in your income in the year you receive them.

As a result, depending on the amount of unemployment you expect to receive, you may want to complete Form W-4V, Voluntary Withholding Request, to have federal income tax withheld from your benefits. The withholding rate is generally 10%. You can also ask the unemployment office to withhold state income tax.

Alternatively, you can adjust or begin making quarterly estimated tax payments.

The amount of unemployment compensation you report on your income tax return is also affected by benefits you have to repay. If you receive and repay benefits in the same year, you can subtract the repayment from the total you received.

However, if you make repayments in a year following the receipt of the benefits, the tax treatment depends on how much you repay, and can be claimed either as an itemized deduction or a credit against your current year tax.

Please contact us if your employment situation changes. We can help with tax and benefit related issues such as severance pay, retirement account rollovers, and deductions related to job hunting.

If you have additional questions about the ideas mentioned here and/or the many other strategies available to you, they may be directed to me at 800-CPA-KROL (272-5765), or you may write to:

News of Polonia

Your tax and Financial Matters

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Your Help is Needed

Get involved in Polonia!

Join a

Polish Organization

Do You Give Your 401(k) Plan an Annual Physical?

Preventive medicine is one of today's fastest growing medical specialties. The theory that a healthy diet and lifestyle plus regular checkups can reduce the likelihood of life-threatening or disabling illnesses has gained almost total acceptance.

The same preventive philosophy can be applied to your 401(k) salary deferral plan and to other employee benefit plans. It makes sense. Regular checkups of various plan features can ensure that your plan continues to function smoothly and effectively.

In general, a 401(k) plan is a retirement plan in which the employee elects to defer receiving—and paying income tax on—a certain percentage of his or her salary. The deferred amounts are placed in the employer's tax-qualified retirement plan. Employers may make matching contributions on behalf of employees or make discretionary contributions for all eligible participants on a non discriminatory basis.

What features of a 401(k) plan should be checked regularly by the plan sponsor? The following points may give you some ideas.

Education: The more employees are convinced of the wisdom of saving for retirement, the greater the level of employee participation in the plan. And the greater the level of participation in the plan, the more the plan can benefit employees—including the highly compensated. Regular meetings, newsletters, and handouts are critical means of communicating plan advantages. You should ensure that your education and communication practices are updated and regular.

Matching Contributions: Keeping it simple should underscore your approach. Complex matching formulas have proven to be no more effective in increasing employee participation in a 401(k) plan than simpler matching formulas. Also, simple matching contribution formulas result in lower administrative costs for your plan.

Contribution Size: Surveys and studies show that matching contributions of less than 25 cents per dollar contributed by employees are not very effective in increasing participation in a plan. Also, statistics show that plans with a 50-cent match result in at least 75% or more eligible employees electing to participate. Checking the size of the match and the level of employee participation should be a regular exercise.

Plan Investments: For the majority of employees who have neither the understanding of a wide range of investment vehicles nor the inclination to acquire that understanding, keeping the number of investment choices limited to a few, clearly distinct alternatives makes sense.

Testing for Compliance: Regular testing to ensure the plan is able to pass the many nondiscrimination tests mandated by the tax law is crucial if key employees are to

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