



Your Taxes and Financial Matters

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Investments

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Coping with Stock Market Uncertainties

Global events can certainly affect the U.S. stock market. Throughout its history, however, the U.S. stock market has proved to be quite resilient over the long term - bouncing back time and time again from the impact of world crises. Examining how some past global problems have affected the U.S. stock market may help you better grapple with the economic and investment uncertainties of crisis events.

Action and Reaction

It may reassure you to know that the stock market has historically rewarded those who stayed the course during tumultuous times, although past performance cannot guarantee future results. For instance, on the first trading day after the Cuban Missile Crisis (October 23, 1962), the S&P 500 fell 3.78%. Yet only six months later, it had surged 24.66%. More recently, over the one-month period after Iraq invaded Kuwait - a move that eventually led to the first Gulf War—the S&P 500 declined 9.12%. One year later, the index had jumped 10.16%. (1)

Sometimes the market's rebound has been slower in coming. For instance, after the bombing of Pearl Harbor, the S&P 500 experienced an initial drop, rose slightly after one month and then found itself lower six months after the attack. But by V-J Day, less than four years later in August 1945, the S&P 500 had rebounded 57%. (1)

Moving Forward

Of course, economic developments take time to play out, and markets often remain highly volatile in the immediate wake of a world crisis. Aside from keeping history in mind, how might you cope in our ever-changing world? Consider these suggestions:

- Focus on your long-term financial plan rather than short-term market dips.
- Be realistic, but not fatalistic, about current market conditions and returns. Investors prepared for occasional declines will be less likely to fall prey to panic selling.
- Keep your portfolio well diversified to help cushion volatility.
- Get to know your finances better and review how different accounts - such as IRAs and employer-sponsored retirement plans - are invested.

Review your portfolio and make sure that your risk tolerance meshes with your financial goals and time horizon.

Remember that while our nation has faced crises before, the economy and the stock market have recovered, in time, stronger than before.

For more information, please contact Joanna Moran at 800-473-1331.

(1) Source: Standard & Poor's.

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Music News

By: **Marek Żebrowski and Krysta Close**

POL-US JAZZ DIPLOMACY

Continuing the celebrations of 90 years of Polish-U.S. diplomatic relations, an exhibit entitled "Jam Session: America's Jazz Ambassadors Embrace the World" opened in Warsaw on June 27. It will remain open at Hoover Square's Centrum Artystycznego Fabryka Trzciny until July 26. The displayed photos and documents chronicle the U.S. State Department's Jazz Ambassadors program, which sent some of the greatest American jazz musicians around the world between 1950-1970, to create relationships and foster understanding through jazz.

Curated by Dr. Curtis Sandberg, Meridian International Center's Vice President for the Arts, and jazz diplomacy historian Professor Penny M. Von Eschen, this exhibit draws from international archival materials. The Polish edition of the exhibit is sponsored by the U.S. Embassy in Warsaw and includes photos taken by Polish photographer Marek Karewicz, which highlight the long-standing musical relationship between the two nations.

A modern international jazz superstar, Polish trumpeter Tomasz Stanko, performed at grand opening of the Warsaw exhibit with his Quartet. At the request of the Embassy they played the music of Stanko's former musical cohort, legendary Polish jazzman Krzysztof Komeda (1931-1969). During his short lifetime, Komeda, whose influences ranged from Count Basie to Chopin, led the jazz revolution that was happening in Poland. Jazz music, like the Jazz Ambassadors themselves, was able to permeate the Iron Curtain in a way that nothing else could, and it left its mark on Poles:

Stanko told one of Polish dailies that the memorable concert of the Dave Brubeck Quartet in Warsaw in 1958 made a lasting impression on him. 'It was the first time Poles could listen to modern American jazz in a live performance', he said. [Polskie Radio, "Jazz diplomacy," 29 June 2009]

Another important way that American jazz was shared with Polish audiences during the Cold War was through Willis Conover's "Jazz Hour" on the Voice of America, a U.S. government-sponsored radio station. Through these influences, listening to and playing jazz became a form of resistance in Poland, one which had a profound effect on people and even politics.*

American jazz has likewise felt the influence of Polish musicians. While visiting USC on April 15, 2005 shortly before his death, Dave Brubeck performed in Bovard Auditorium. During the concert, this American jazz legend stopped to speak only once, and what he spoke of was his experience playing jazz in Poland. He described the enthusiasm of the audiences and the musicianship and passion of Polish jazz players with deep respect, a meaningful recommendation coming from such ground-breaking musician.

* For more about the history of jazz in Poland, read "Krzysztof Komeda: Poet of the Piano" on www.allaboutjazz.com or "Polish Jazz - Freedom at Last" on polishjazz.com.

[Sources: www.meridian.org/jazzambassadors, poland.usembassy.gov, polskieradio.pl]

A new place for musical life in Warsaw

Sinfonia Varsovia, one of Poland's greatest orchestras, inaugurated their future headquarters on Grochowska Street

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Legal

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H-1B Work Visas Are Still Available for Professional Workers.

Q. I am here visiting my relatives from abroad and recently received a job offer. How easy it would be to get a work visa to stay longer?

A. There may be a unique opportunity for you to apply right now.

The main visa which allows people to stay and work in the U.S. is the H-1B visa for temporary professional workers. In order to qualify, the employer must demonstrate that the position requires a professional in a specialty occupation and that the intended employee has the required qualifications. Typically, the minimum qualification is a university (bachelor's) degree or its equivalent. Employers must also pay a wage to every H-1B worker the "prevailing wage", that is at least as much as what is typically paid in the region for that type of work.

There is a limited number of H-1Bs every year and usually by mid-April all of these visas are used up for the year. However, presently, the window for applying for the H-1B visas is still open due to reduced hiring related to the recession. As of this summer, the U.S. Citizenship & Immigration Services (CIS) indicated that of the 65,000 visas released on April 1st for work start dates October 1st, only approximately 45,000 had been used.

The H-1B visas are good for three years and can be extended for another three years. After six years of working in the U.S., the person must return home for one year prior to obtaining a new H-1B. There are a few exceptions to the six year limit. Also in many cases workers can obtain the green card during that six year period.

A person holding an H-1B visa can bring their spouse and children to live with them in the U.S. while they are legally holding the visa. Dependents obtain an H-4 visa.

The H-1B visa is designed for professional workers coming to do professional work and it does not involve any advertising or other testing of the U.S. market for similar employees. For instance, a computer engineer with a degree in computer science who is coming to work as a systems analyst would be the classic example of an H-1B. However many H-1Bs are also used by teachers, accountants, management analysts, designers, writers, engineers, hotel managers, and many other "professional" positions.

When the petition is approved, the U.S. Embassy in the person's country of residence issues the actual work visa. If the person is in the U.S. in another status such as a J-1 summer exchange visitor or F-1 student, often times a change of status can be done which delays the embassy trip until the first time the person being sponsored departs the U.S.

The H-1B program is an ideal way for someone with an education and a professional job offer to stay here and work with their families. This year, due to the recession, the availability of these visas is greater than it has been in the last four years. But persons interested should apply right away before the quota is used up. □

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Put midyear tax planning on your summer agenda

Summer is here, and probably the last thing on your mind is tax planning. The problem is that if you wait until December, there's little time for changes to take effect. But if you take the time to plan now, you still have six months for your actions to make a difference on your 2009 tax return. With the recent tax changes, planning for the reduction of your 2009 taxes is more important than ever. Here are some suggestions to get you started.

■ Pull out your 2008 income tax return, and review your income and deductions.

Did you lose any credits or deductions because your income was above a certain threshold amount? If so, what can you do to keep this year's income below the threshold?

■ You might want to schedule home improvement projects to benefit from the tax credits available for energy-saving expenditures on your principal residence.

■ Evaluate your investment portfolio.

If you have been avoiding the disheartening news, now is the time to reassert control over your investments. Review your holdings to see if you should take some losses to offset other income. If you're considering investment purchases, analyze the type of income you'll be receiving from the assets you buy. Then stash the investment in the proper account (taxable, deferred, or nontaxable) to achieve maximum return and tax savings.

■ Adjust your retirement plan contributions.

Are you still making contributions based on last year's numbers? Maximum amounts have increased for some plans in 2009. You can contribute up to \$11,500 to a SIMPLE, up to \$16,500 to a 401(k), and up to \$5,000 to an IRA. Remember to add catch-up contributions if you'll be 50 by the end of December.

■ Factor two recent tax changes into your planning for retirement fund withdrawals if you're 70½ or older. First, the option to make a direct nontaxable donation of up to \$100,000 from your IRA to a charity has been reinstated. Second, the requirement to take a minimum distribution from your retirement plan is waived for 2009. This applies to 401(k) plans, 403(b) plans, certain 457(b) plans, and IRAs.

■ Now is the time to do tax planning for the upcoming fall college expenses.

Check out the various tax breaks, including the new, enhanced Hope credit (renamed the American opportunity credit).

■ The estate tax is still alive and well, so as part of your midyear review, do any updating that's needed to your will and other estate documents.

■ Do some business tax planning, too.

Plan your equipment purchases to benefit from the extension of 50% bonus depreciation for new equipment and up to \$250,000 first-year expensing for new or used equipment.

Mix business with your summer vacation and you might be able to deduct some of your travel expenses on your 2009 tax return. To benefit, the primary reason for your trip has to be business.

Making time for 2009 tax planning now not only helps reduce your taxes, but also helps to put you in control of your entire financial situation. Tax planning should be a year-round process, but it's especially effective at midyear.

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