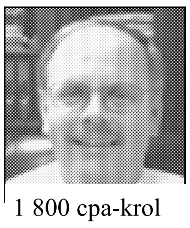

Your Taxes and Financial Matters

By: *Richard P. Król*
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Who has to file an income tax return?

Your father asks if it's true people over age 70 no longer need to send in tax forms. Your workout buddy wonders whether everybody has to file, even when no tax is due. Your college freshman wants to know if she'll need to prepare a return for 2009 since she's a full-time student and you'll be claiming her as a dependent.

Taxes are the topic of conversation this time of year and questions like these are common. So who does have to file a federal income tax return?

As a general rule, you'll need to file when your gross income exceeds the sum of your standard deduction plus your personal exemption. That's true no matter what your age is or whether you will or will not owe tax.

For instance, say you're married, filing jointly, and you and your spouse are both over 65. For 2009 returns, you'll need to complete tax forms when your gross income exceeds $20,900. In this case, the calculation includes:

Standard Deduction	$ 11,400
Plus additional standard Deduction ($ 1,100 each) Because you are both 65+	2,200
Plus two $3,650 personal Exemptions	7,300
	$ 20,900

The rules for dependents differ. Assuming your college freshman dependent is single, she'll have to file a return when her unearned income from sources such as interest, dividends, and capital gains is more than $950.

Did she work? The filing requirement kicks in when wages are more than $5,700. When her income is a combination of earned and unearned, the answer depends on the total gross amount received.

Even if it turns out she's not required to file, sending in a return may be a good idea. For example, if withholding was deducted from her wages, she'll have to file a return to get a refund.

What's your status?

While gathering information to complete your income tax return, you may give little thought to your filing status. But there's a reason "filing status" choices appear at the beginning of tax forms: They're important.

Why? Because filing status can impact exemptions, reportable income, deductions, credits, tax rates, liability, the type of form you file, and whether you need to file at all. In addition, some states require that you use the status reported on your federal return, which can affect the amount of state tax you pay.

Here are facts to consider when determining filing status.

1. Your status generally depends on whether you're married or single on the last day of your taxable year (typically December 31). In cases of divorce or separate maintenance decrees, the laws of your state determine whether you're considered married or single. Same-sex marriages are not recognized for federal income tax purposes.
2. As a married couple, you can choose joint or separate returns. When you file separately, you can change your mind later and amend your return to file jointly. However, you can't switch from joint status to married filing separately after the due date of the original return.
3. If you were widowed during the year and have not remarried, you have the option of filing jointly with your late

Taxes to page 16

Investments

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Are Cash Balance Pension Plans Right for Your Business?

A Cash Balance Plan is an ERISA-qualified defined benefit pension plan. It takes maximum advantage of higher benefit levels available to such plans under federal law. If you and other highly-compensated employees are currently maximizing contributions to your 401(k) and profit-sharing plans, it can be a valuable new plan addition to your retirement program.

Cash balance plans are subject to minimum funding standards, and must provide a specified accrued benefit at retirement. However, hypothetical "individual accounts", such as in 401(k) plans, are used to communicate the current value of each participant's accrued benefit. Participants receive periodic statements showing the accumulation of "contribution credits" based on compensation, age and service, and "interest credits" based upon a market rate of return. Actual contributions are based upon actuarial projections, and actual earnings are credited to the funds based upon actual investment performance. Distributions from cash balance plans are normally paid as an annuity from a defined benefit plan because their payouts are determined by formulas in pension plan documents. Lump sum benefits may also be available to vested participants (with consent from spouses) upon termination of employment or retirement Plan assets are protected from creditors by ERISA in the event of bankruptcy or lawsuit.

Defined contribution plan amounts are designed to help accelerate "catch-up" savings. For 2010, the maximum annual 401(k) deferral is either $16,500, or if the person is age 50 or older, $22,000. With a profit-sharing plan, these individuals can defer an additional $32,500 for a total of $49,000 ($54,500 for those over age 50). A Cash Balance Plan allows the business to make tax deductible contributions for eligible employees determined under a nondiscriminatory formula which may exceed the dollar limits for defined contribution plans. Cash balance plan contributions are in addition to amounts contributed for an employee to a defined contribution plan.

Ideal candidates are companies with owners, partners or other highly compensated employees who may have neglected retirement savings to either grow their business or otherwise desire to catch up on savings. Businesses should have consistent cash flows and profits since contributions are required on an ongoing basis to meet the minimum funding standards of the internal revenue code. Since the rule changes in 2006, groups most likely to implement cash balance plans include medical and dental practices, law firms, family businesses and certain sole proprietorships. Cash balance plans require the services of an actuary to determine appropriate funding levels.

The Pension Protection Act of 2006 (PPA) created an opportunity for you and your highly compensated employees to enjoy additional tax benefits by adding a Cash Balance Plan to your retirement program. PPA introduced a faster minimum vesting requirement of 100% after three years of service beginning with the 2008 plan year. In addition, safeguards against age discrimination due to cessation or reduction of benefit accruals have been introduced. New conversion

Investments to page 16

Music News

By: *Marek Żebrowski and Krysta Close*

Hail to the Unknown! Reviewing the Life of Roman Maciejewski

The year 2010 marks several important anniversaries in the history of Polish music. The bicentennial of Chopin's birth will resonate worldwide with a multitude of tributes of all kinds—concerts, lectures, and piano competitions. The sesquicentennial of Paderewski's birth in November will likewise attract its share of commemorative events in Poland and the United States. One important anniversary, however, also occurs this year and is less likely to attract great attention: the centenary of the birth of Roman Maciejewski on 28 February 2010.

In spite of having studied with some of the most important figures of twentieth century music—Karol Szymanowski and Nadia Boulanger, among others—Maciejewski's music is still generally unknown. With a few notable exceptions, Maciejewski's considerable achievements as a pianist, composer, and choral conductor in Poland, France, Sweden, England, and the United States, has passed virtually unnoticed even in his lifetime. Thanks to the indefatigable efforts of his family—especially his younger brother, Wojciech—Maciejewski's legacy has been gradually unveiled during the years following the composer's death in 1998.

Roman Maciejewski was born in Berlin to Polish parents. He began his music education there and when Poland regained her independence in 1919, his family relocated to Poland. After studying in Poznań and appearing as a pianist, he moved to Warsaw in 1931, where he studied composition with Kazimierz Sikorski. Maciejewski was one of the student strikers in Warsaw, protesting the removal of Karol Szymanowski from his post as president of Warsaw Conservatory. His actions led to his expulsion from school but did not prevent Maciejewski from embarking on a concert tour of southern Europe in 1933. By 1934 he was studying with Nadia Boulanger on a scholarship in Paris, where he befriended Artur Rubinstein, Francis Poulenc, and Igor Stravinsky, among others.

Invited by the Royal College of Music, Maciejewski settled in England in 1938 and married a Swedish dancer, Elvi Gallen. Visiting Sweden with his bride on the eve of World War II, Maciejewski remained there for the next decade. In 1950 he divorced his wife and left Sweden for England. A year later he arrived in the United States on the invitation of Artur Rubinstein. He settled in Southern California and devoted himself to his duties as organist in the Polish Church in Los Angeles. Averse to commissions (Maciejewski turned down Rubinstein who wanted a Piano Concerto written for him) and lucrative job offers (refused music directorship of the MGM Studios), he instead continued to work on his monumental Requiem - Missa pro defunctis for soloists, chorus and orchestra. Maciejewski began his Requiem during the war years in Sweden and completed it in 1959 in California. Over fifteen years of effort on this extraordinary musical statement dedicated to the "Victims of Human Ignorance, Victims of Wars of all Times, Victims of Tyrants' Torture, Victims of Human Lawlessness, and Victims of the Violation of the Divine Order of Nature" led to a triumphant world premiere of the Requiem at the Warszawska Jesień Festival in 1960. Public and critical reception was just as enthusiastic following the American premiere of Maciejewski's Requiem at the Music Center in Los Angeles in 1975.

Music News to page 16

Legal

By: *Christopher Kerosky,* Esq.
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How to determine if a worker should be considered an employee (on payroll) or an independent contractor.

By *Christopher A. Kerosky*

There is no single definitive factor in determining whether an individual is an independent contractor or an employee for purpose of wage and hour laws.

The Courts have held that an individual will be considered an employee where the employer exercises all necessary control by direct or indirect means over the work details of the individual. (S.G. Borello & Sons, Inc. v. Department of Industrial Relations (1989 48 Cal.3d 341).

In addition, according to the Employment Development Department of the state of California, the following factors are to be considered in determining an individual's status as an independent contractor.

1. The individual performs services in an occupation or business distinct from that of the principal.
2. The work performed is not part of the regular business of the principal.
3. The individual supplies his/her own instrumentalities, tools and the work place.
4. The individual has made a significant investment in the equipment or materials required for his or her task(s).
5. The individual's services require a unique skill in a particular occupation.
6. The individual's occupation in the locality is usually done by a specialist without supervision.
7. The individual's opportunity for profit or loss depends on his/her own managerial skill.
8. The time for which the services are to be performed is reasonably limited to the task(s) for which the individual was hired.
9. The working relationship between the individual and the employer.
10. The method of payment is time certain or project specific.
11. The parties do not believe they are creating an employer-employee relationship. (Borello, Id. at 350)
12. The individual has the right to control and discretion as to the manner of performance of the contract for services but not means by which the work is accomplished. (Labor Code Section 2750.5)
13. The individual customarily in an independently established business. (Labor Code Section 2750.5)
14. The individual's independent contractor status is bona fide and not a subterfuge to avoid employee status. (Labor Code Section 2750.5)
15. The individual has a substantial investment in the business other than personal services. (Labor Code Section 2750.5)
16. The individual holds him/herself out to be in business for him/herself. (Labor Code Section 2750.5)
17. The individual bargains for a contract to complete specific project for compensation by project rather than by time. (Labor Code Section 2750.5).
18. The individual has control over the time and place the work is performed. (Labor Code Section 2750.5)
19. The individual hires his/her own employees. (Labor Code Section 2750.5)
20. The individual holds a license to perform the work. (Labor Code Section 2750.5).
21. The relationship is not severable or terminable at will by the principal but

Legal to page 16