

Lassus Wherley

Building Better Futures

People News

Lots of new faces this year. Many of you know that Jennifer and her family moved to North Carolina where she found employment for tax season. Her new employers are not as much fun as we are. They don't even dress up for Halloween. Replacing Jennifer is **Cynthia Fusillo, CPA**. Cynthia has prior experience at several large firms including Ernst & Young, U.S. Trust and Rothstein Kass. She has an MBA from Baruch College. Cynthia and her husband Frank live in New Providence, have a 10-year-old son, Tom, and 4-year-old twins, Mia and Matthew.

Mary Ellen Nicola, CFP® will be doing a few tax returns this year as well. Her previous experience is primarily with AYCO, a firm that advises corporate executives. She has lots of background and experience with stock options, deferred comp and other complex benefits packages. She and her husband Ron live in Chatham and have two boys, David and Eric, in their twenties.

Jaime Szewczuk (pronounced Suzuck) is also with us full time this year. Jaime has helped do copying, scanning and assembly in past years on a part-time basis. This year she's newly trained for input and will be joining Chen and Linda doing the computer entry. Jaime is the proud owner of Boulder and Calvin, two very big puppy dogs.

Lisa McKnight joined the staff in December, 2006, as a Client Services Support Advisor. She is a graduate of Seton Hall and has an MBA from Fairleigh Dickinson. She also completed the CFP program at Fairleigh and passed the CFP exam on her first try! Lisa will be doing planning and projects. She and her husband Jack live in New Providence and have three children, Karalyn 8, Michele 7, and Daniel 2.

Martha Kardashinetz and **Nancy Squier** continue to bookend our tax process. Martha schedules appointments and Nancy does the final packaging of the returns. They are absolutely the lynch pins of the entire process. Martha engineers the front end by pushing everyone to get their data in and Nancy and Martha, together, get it all assembled and shipped out.

One of the unsung heroes of tax season is **Pat McCormick**. She raises cash when taxes are due, makes the IRA contributions, processes fees and keeps the rest of us laughing. Pat is in the investment operations group and there's no doubt that every single investment client knows her.

Two people, whose jobs are to keep me out of trouble, are **Pat Daquila, CPA, MBA**, and **Laurie Wolfe, CPA**. Many of you know one or both who do a significant number of the individual tax returns. Pat also does many of our trusts and estates, and Laurie is the go-to person for corporations, LLC's and other businesses. Pat and her husband Pete live in New Providence and have three children, Nick, Christina and Alley. Laurie and Buddy hail from Basking Ridge and also have three children, Baker, Mathew and Molly.

Charles Pawlik who joined us full time last year in the planning and investment areas, won't be doing taxes, but he will be studying for the tax portion of the Certified Financial Planner exam during tax season. So, I'm sure we'll see him wandering around the tax area.

Some Things Don't Change!

I really thought that in the space of a lifetime that everything would change. But taxes don't. They get more complex, more cumbersome, and more onerous. That's not change. That's the same.

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LWA News

New Providence in general and the Lassus Wherley offices in particular have seen lots of changes in recent months. The town is sporting a new Streetscapes Project with sidewalks of concrete and pavers. New street lights are being installed as I write. By spring we should see new trees, flowers, benches and signage. Our contribution to the project was to get the interior sidewalks on the property redone to match the overall project.



The most visible change as you arrive in the parking lot is that the old wood-frame building that was 3 Academy Street has been torn down. The town gave us 30 days notice to vacate the property, and on November 2, 2006, it was leveled. The lot has served as a staging area for the Streetscape Project and New Providence's new Rescue Squad building is under construction in the back corner.

Here in the office we've been painting like crazy, with the admin and support areas getting a fresh coat. We've installed new lighting throughout the buildings and are reveling in our bright, bright lights. The combined conference/lunch room is now more conference room and will get lots more use during tax season. We'll have computer access and a projector screen so your 1040 will literally be "big as life"!



Diahann's Doings

Diahann was elected to a second term on the Board of National Advisors Trust at the Annual Meeting in Kansas City. She was also elected to another term for the Center for Women's Business Research Board.

She has continued to work with the Star Ledger in responding to several Biz Brain questions concerning some interesting and complex tax questions.

One of the more exciting happenings this year is that Diahann was named as one of the Top 150 Advisors for Doctors by Medical Economics.

At a recent speaking engagement at the Governor's Conference on Women, Diahann covered a number of topics on Investing. She also Co-Hosted a show for NJN with Jonathon Pond dealing with planning for retirement.

She really enjoyed participating in an online chat for the Washington Post where she answered questions for an hour. This chat can be found on the Washington Post Web Site.

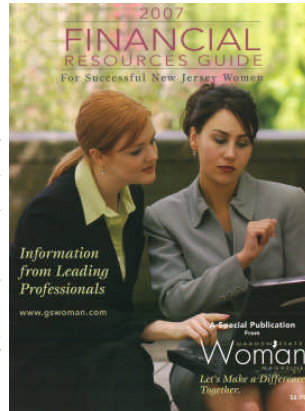
Her interviews and quotes in articles can be found in Consumer Reports, Investment News and Financial Advisor Magazine.

NewsNotes

In The News

2007 FINANCIAL RESOURCES GUIDE, a special publication from Garden State Woman, features three articles by the staff at Lassus Wherley.

“Selecting the Right Financial Advisor” by Diahann W. Lassus, CFP®, CPA/PFS, explains the difference between a fee-only advisor and those that are fee-based or are on commission. When evaluating a potential advisor, education, experience, professional designations and affiliations are all important factors to consider. Ultimately, you must find an advisor who you are comfortable with. That includes being comfortable with their philosophies, value system and methods.

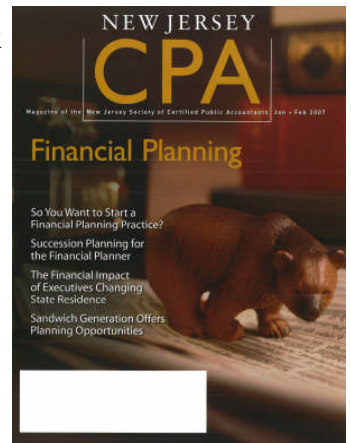


“Fundamentals of Fiscal Fitness” by Clare E. Wherley, CPA, CFP® covers seven steps for getting your fiscal house in order, including: 1) being sure you have adequate cash reserves, 2) making saving a priority by paying yourself first, 3) not overdoing housing but rather purchasing just enough house, 4) being smart about credit cards by eliminating too much bad debt, 5) taking care of the future by fully funding a retirement plan, 6) being sure to take all tax deductions you are entitled to, and 7) wisely diversifying your investments.

“Charting Your Course” by Mary Ellen Nicola, CFP®, addresses the challenges and opportunities associated with executive compensation. Stock option planning involves the decision of when to exercise the options, the tax implications, and when to sell the stock. Choosing retirement plans becomes complex when deferred compensation and supplemental components are factors. And finally, choices and opportunities are presented in the array of additional benefits associated with restricted stock, flexible spending accounts, and additional insurance options.

“SANDWICH GENERATION Offers Planning Opportunities” is the subject of the article written by Diahann for the New Jersey Society of CPA’s Financial Planning issue. Sandwichers are a generation of people who are caring for their aging parents while supporting their own children. Club sandwichers may have grandchildren in the picture as well.

The issues are varied and complex with each generation’s priorities competing for attention and resources. Education versus assisted living, young adults coming back to live at home and elderly parents not being able to cope alone are all examples of the issues the sandwich generation is attempting to address. Compounding the situation is the stress and turmoil associated with the frustrations and demands of serving many masters and solving constant problems. The secret is to recognize the situation early and begin the process of identifying the upcoming decisions and their impact.



Understanding the need for personal time and being good to oneself is an important part of the solution. “Sandwichers need first and foremost to remember that they can’t help others if they are not in control of their own lives.”

*Happy New Year!
Enjoy the warm winter!*

Tax Changes

The **Pension Protection Act of 2006**

- Encourages employers to enroll workers automatically in 401(k) or 403(b) savings plans. The law allows employers to earmark 3 percent of a worker's salary into a 401(k) and as much as 6 percent over time to help workers save more.
- **Gives the option of depositing portions of your federal refund directly into an IRA.**
- Permits 401(k) and other similar plan providers to offer face-to-face, personally tailored investment advice to help workers manage their retirement savings plans.

Made the following provisions permanent.

- Allows workers in employer-sponsored 401(k), 403(b) and similar plans to put up to \$15,000 in pretax income in 2006, and higher amounts each year—based on inflation—beginning in 2007 (\$15,500). Individuals with a regular IRA or Roth IRA can contribute up to \$4,000 in 2006 and 2007, \$5,000 in 2008, and even more in later years to reflect inflation. If 50 or older, you may increase these amounts by \$1,000 each year.
- Continues to let workers 50 and older in 401(k) and similar retirement plans sock away, on a tax-deferred basis, an additional \$5,000 this year and more in following years, based on inflation.
- Makes permanent the so-called Saver's Credit which provides up to a 50 percent tax credit for low- and moderate-income families that contribute up to \$2,000 a year to a retirement plan
- Increases the ease of transferring money between plans, including portability of after-tax contributions. Starting in 2008 it will become easier to roll money from an IRA to a Roth IRA, and the new law gives employers enhanced options to offer **Roth 401(k) retirement plans.**

The act also contains several non-retirement changes.

- **No charitable deduction is allowed for cash, check or other monetary donations unless the taxpayer has a bank record or written acknowledgement from the charity. No deduction is allowed for clothing and household donations, unless they are in "good" condition.**
- **Those 70½ and older in 2006 and 2007 can make tax-free IRA distributions up to \$100,000 from their IRA directly to a charity.**
- The law permanently extends the rules and tax benefits of the Section 529 college-savings plans popular with those saving for their children's and grandkids' educations.
- Beginning in 2010, the law will allow individuals who have built up cash value in an annuity or life insurance policy to buy long-term-care insurance coverage without declaring the premium payments from the policy as income for tax purposes, and receive long-term-care benefits tax-free.