

Lassus Wherley

Building Better Futures

People and Puppy News

No people changes this year! That's always good news! Everyone is back and looking forward to ANOTHER tax season.

We do have puppy news this year, however. Bunker passed to the great beyond in late June. It was acute kidney failure, sudden and quick.

Introducing the new puppy—Emily Jane! She LOVES her toy box and is just as happy in it as out.



LW News

**Clare Wherley and Pat Daquila are
2014 Five Star Certified Public
Accountant award winners**

**Awarded "Best Places To Work in New
Jersey" for 3rd consecutive year**

**Lassus Wherley
Received The Women's Choice Award
For Financial Advisors**

**Diahann Lassus
Named to CNBC Digital Financial
Advisor Council**

And now the changes are all kicking in!

Everyone has heard about the capital gains rate increasing to 20%. It's true, but the higher rate only applies for singles with taxable income exceeding \$400,000 and married filing joint with taxable income exceeding \$450,000.

The Supreme Court invalidated the Defense of Marriage Act, and same-sex couples are now afforded the same protections and opportunities. This means filing a joint tax return is possible. But run the numbers. We've seen cases where the MFJ paid more!

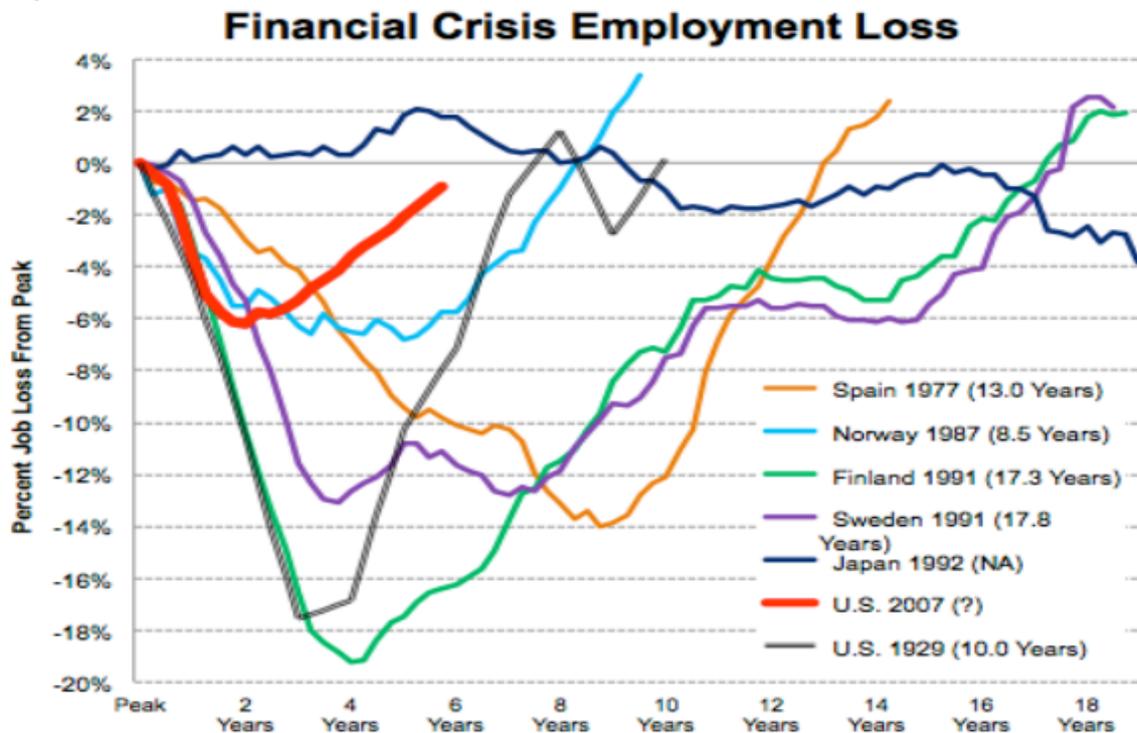
Some old phase-outs are back to haunt us. In recent years these went away but now for 2013 they're back. The first is the personal exemption phase-out and the other is the itemized deduction phase-out. The good news is that they only come into play for singles with income over \$250,000 and married filing joint with income over \$300,000.

Then, of course, there's the old 39.6% income tax bracket that has also returned and applies to singles with income over \$400,000 and married filing joint with income over \$450,000.

The message here is that high-income taxpayers are increasingly bearing more and more of the tax burden. In 2013 the top 1% of taxpayers will pay 30% of all taxes collected. The top 10% will pay over 70% of all taxes collected. Conversely, almost half of all households pay no federal taxes at all. But, there's still payroll taxes, State income taxes and sales taxes. So no one gets away scot-free.



It seems like it's been a long down turn, BUT...



Health Care Reform: What Kicks Off in 2014...

Effective: January 1, 2014

- **Marketplace Coverage Begins**

We've been hearing about this a lot since November 1. But the real news is that insurance plans in the marketplace are offered by private companies. They all cover the same essential health benefits. No plan can turn you away or charge you more because you have an illness or medical condition. They must cover treatments for these conditions. Plans can't charge women more than men for the same plan. BUT they can charge more by age! That's new and that's a big change. Many preventive services are covered at no cost to you.

- **Ending Lifetime and Yearly Limits**

The health care law stops insurance companies from limiting lifetime coverage for essential health benefits. In 2014 this applies to yearly limits too.

- **Savings on Monthly Premiums and Out-of-Pocket Costs**

This is true only if your income is less than \$45,960 for singles, \$62,040 for 2-person households and increasing levels up to a 6-person household with income less than \$126,360. The rest of the population is definitely paying more. The same approach with different income levels applies to lower out-of-pocket costs. Oh, and that's only if you choose a silver plan.

- **Coverage for Pre-existing Conditions**

Being sick won't keep you from getting health coverage. An insurance company can't turn you down or charge you more because of your condition. Once you have insurance, the plan can't refuse to cover treatment for pre-existing conditions. Coverage for your pre-existing conditions begins immediately. This is true even if you have been turned down or refused coverage due to a pre-existing condition in the past.