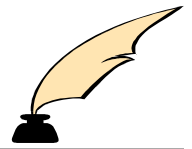


Accountants' Notes



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Beware of Suspicious E-Mails

Beware of e-mail scams that fraudulently use the IRS name or Logo as a lure. The goal of the scam is to trick people into revealing personal and financial information, such as social security, bank account or credit card numbers, which the scammers can use to commit identity theft. The IRS does *not* send unsolicited e-mails about a person's tax account or ask for detailed personal and financial information and *never* asks people for PIN numbers, passwords or secret access information for credit card, bank or other financial accounts.

If you receive an e-mail claiming to be from the IRS or directing you to an IRS site,

- Do not reply
- Do not open any attachments
- Do not click on any links. If you clicked on links in a suspicious e-mail or phishing website and entered confidential information, visit our Identify Theft page on IRS.gov.

If you receive a suspicious e-mail claiming to be from the IRS, forward that e-mail to a special IRS mailbox, phishing@irs.gov. The e-mail must be forwarded using special instructions at IRS.gov or it loses the encoding needed to track it to its source. The IRS can use the information, URLs and links in the e-mails you forward to trace the host website and alert authorities to help shut down the fraudulent site. After you forward the e-mail to the IRS, delete the message.

BWC REPORTS REMINDER

BWC reports are due February 28. If you have not provided us with your 3rd and 4th quarter payroll information and the original BWC Payroll Report, please do so immediately. BWC does not accept postmark dates.

Congratulations to Christa Grover from American Family Insurance, the winner of a \$20.00 Bob Evans Gift Certificate. Christa, thank you for taking the time to let us know that you read our monthly newsletter.

Watch for your next chance to win a gift certificate!



2009 Required Minimum Distribution Withdrawal

HR 7327 has suspended RMD withdrawals for the calendar year 2009, temporarily removing the 50% penalty on withdrawals not taken or distributed. Additionally, if an IRA owner attains age 70 ½ in 2009, his technical required beginning date is April 1, 2010.

No RMD for 2009 is required to be made under this legislation, therefore the first RMD would be for 2010 and paid no later than December 31, 2010.

CORPORATE TAX RETURNS

Your corporate tax returns are due **March 16**. Please provide us with your information prior to February 13 and we will make every effort to have your returns done by March 16. If we do not receive your information by February 13, we will need to file an extension.

2008 INDIVIDUAL INCOME TAX RETURNS

It's that time of the year again. We are currently scheduling tax appointments. Please plan ahead and call to schedule your tax appointment. If you would like a 2008 Tax Organizer, call our office.

You may drop off your information without an appointment but we are asking you to take a few minutes to meet with a staff member to verify current information.



Winfree, Ruff & Associates, Ltd.

Lancaster Office
Phone: 740-681-1676
Fax: 740-681-1672

Pickerington Office
Phone: 614-837-8291
Fax: 614-837-5144

Baltimore Office
Phone: 740-862-2258
Fax: 740-862-2208

Are Your Beneficiary Designations Up-to-Date?

Your Will is not the only thing that will transfer your assets to your heirs upon your death. Certain types of assets are transferred directly to heirs through a beneficiary designation. A beneficiary designation is a legal form where you name the person who will receive the assets upon your death. Beneficiary designations override provisions you make in your Will. Assets that pass by beneficiary designation include:

- Insurance (life, accidental death and dismemberment, etc.)
- Retirement plans (IRAs, 401(k) plans, Keoghs, etc.)
- Certain annuities
- Brokerage accounts with transfer on death (TOD) designations, payable on death (POD) accounts (Totten Trusts)

It's important to review and update your beneficiary designations when you experience a significant life event such as marriage, divorce, death, birth, or adoption, and when tax laws change or there is a change in your overall financial situation. Why? Because outdated beneficiary designations (deceased parents, ex-spouses, etc.) could misdirect the flow of your entire estate plan, resulting in unintended heirs and/or negative tax consequences.

Retirement plans

Spouse as beneficiary: Some retirement plans require you to name your spouse as the beneficiary, unless he or she signs a written waiver consenting to your choice of another beneficiary.

Caution: A prenuptial agreement cannot take the place of a waiver because the law requires your spouse--not your intended spouse--to sign.

Life insurance

You can name anyone you wish (with the one exception noted below) as the beneficiary of your life insurance policy. Many people choose a family member, such as a surviving spouse or child, but you're not required to do that. You can also name a charitable institution or a trust.

Caution: You may not name your employer as the beneficiary of group life insurance coverage that he or she provides.

If you own life insurance or participate in a retirement plan

You can use a beneficiary designation if you own a life insurance policy or if you participate in a retirement plan such as an IRA, 401(k) plan, or 403(b) plan. You could also transfer assets under a beneficiary designation on transfer on death or payable on death registrations for certain assets.

If you want to avoid probate

Probate can be a lengthy and costly process. Assets that pass through probate may take a year or more to reach your beneficiaries, and you run the risk that they may not reach the people you intended. Also, probate records are open to the public, so knowledge of how you've bequeathed your estate is available to anyone who inquires.

You own the property until your death

Your retirement plan and your life insurance policy remain in your name until you die, although others invest and control the funds. Because the assets remain in your name, you may be able to borrow against the funds in a retirement account. Or, you could cash in your life insurance policy to provide needed income if you were faced with a terminal illness or other emergency. In other words, by using a beneficiary designation as an estate planning tool, you haven't made an irrevocable choice, as you would have if you'd set up an irrevocable trust. (In most forms of property ownership, including some joint tenancies, the transferor would retain access to the transferred funds and could easily undo the transfer.) However, owning a life insurance policy has estate tax consequences.

For more information, contact our office to arrange a beneficiary review to ensure that your beneficiary designations are in tune with your goals. Remember to contact your attorney for any legal advice.