



CRISER | GOUGH | PARRISH

October 2010

“Working together for you.”

Criser, Gough, & Parrish

The Advisor

Stephen M. Criser — Laura B. Parrish — Greg R. Gough

CGP Supports Our Community

Volunteer Kansas, Inc.

www.volunteerkansas.org

3 Ways to Come & Give It

- ◇ **Volunteer** - Just visit the website. You can easily match your time and talents to a good cause.
- ◇ **Microgrants** - A little bit makes a huge difference to somebody who needs a boost.
- ◇ **Exchange** - Get Something; Give Something - Sometimes the best way to find what you're looking for or get someone to notice what you've got is to post a little note on the bulletin board. The Exchange is an online classifieds. For example, maybe you need a couple hours of yard work or you're willing to donate a couple hours mowing somebody's lawn.

Kansas has an average annual volunteer rate of 35.9 percent, with 762,900 volunteers serving 92.9 million hours per year.

The vision of Volunteer Kansas is to move Kansas from number eight to number one in volunteerism.

Volunteer Kansas is endorsed by the Kansas Volunteer Commission and is inspired by DOTHEDEED.org.

A Wild Ride

As I write this, it is now two years since the crash of 2008. I look back thinking about the possible financial depression that was so close and am thankful the worst didn't happen. With the decisions being made in Washington, DC, we are certainly not out of the woods yet but maybe we can start planning and looking forward to better days ahead.

In that light, I have never in my career felt so uncertain about how to help our wonderful clients do tax planning. Laura and I are watching congressional activity more than ever, but every bill passed by congress seems to have surprises (usually not good ones) and the promise of more surprises to come.

We are also noticing an increase in IRS and Kansas activity, especially in their performing tax audits by mail. They are also sending letters to taxpayers accompanied by an additional tax bill. In many cases these bills are clearly wrong and no additional tax is due. Please, if you get a bill or notice from either the IRS or state, by all means CALL US. Do not assume it is correct until we have had a chance to confirm it.

We at Criser, Gough and Parrish promise to do our best to keep you posted on where we think things are going. We understand that you need direction as to what you should do to protect yourself and your family from the tax land mines ahead. We are here to help.

Buckle up - this is going to be a wild ride.

Steve Criser, CPA

Did You Know?

We're on Twitter! To receive breaking news, go to

<http://twitter.com/CGPLLC>.

To check out our blog, go to

<http://crisergoughparrish.com/blog/>

Criser, Gough & Parrish, LLC

9415 E. Harry, Ste. 602

Wichita, KS 67207

Phone: (316) 685-1040

Fax: (316) 687-5590

Website: www.crisergoughparrish.com

Health Law Kicks into 2nd Gear; Does It Help Me?

By Carla K. Johnson, AP Medical Writer

The nation's new health care law turned 6 months old September 22, 2010 and started delivering protections and dollars-and-cents benefits that Americans can grasp. But it won't affect all consumers the same way, which may cause confusion.

Q: Will everyone's health insurance change?

A: No. It depends on when your health insurance plan year starts. Many of the new requirements begin with plan years starting on or after Sept. 23. But if your plan year starts Jan. 1, as many do, that's when the changes start.

"Grandfathered" plans, those that existed before the law was enacted March 23 and which remain essentially unchanged, must meet only some of the requirements. New plans and those with significant changes in benefits or out-of-pocket costs must comply with even more changes in the law.

Q: How do I know how my health plan fits in all this?

A: If you get insurance through work, ask your employer about any changes. If you buy insurance yourself, call your insurance company.

Q: What are some of the new benefits?

A: Free preventive care, for one. Some people will no longer have to pay copays, coinsurance or meet their deductibles for preventive care that's backed up by the best scientific evidence. That includes flu vaccines, mammograms and even diet counseling for adults at-risk of chronic disease.

Q: Are there exceptions?

A: Free preventive care isn't required of existing health plans that haven't changed significantly, those

"grandfathered" plans we mentioned earlier. New plans, and those that change substantially on or after Sept. 23, must provide this benefit.

Q: What other changes start Sept. 23?

A: If you go to an emergency room outside your plan's network, you won't get charged extra. Patients will be able to designate a pediatrician or an ob-gyn as their primary care doctor, avoiding the need for referrals that are required by some plans.

Q: I've heard lifetime limits are being eliminated. What does that mean?

A: Millions of Americans have insurance that sets a cap on what their insurance will pay to cover their medical costs over a lifetime. The caps have left very sick patients with medical bills topping \$1 million or \$2 million high and dry. These lifetime limits will be eliminated for plans issued or renewed on or after Sept. 23.

Those who have maxed out because of the caps but remain eligible for coverage must be reinstated on the first day of the plan year that begins on or after Sept. 23.

Q: What about annual limits?

A: Plans issued or renewed on or after Sept. 23 can't have annual limits lower than \$750,000. Annual limits will be eliminated entirely by 2014.

Q: Are there exceptions?

A: Employers and insurance companies can apply for waivers for so-called "mini-med" plans that offer limited benefits. The intent of the waivers is to allow these low-cost plans to exist so that people don't lose their health coverage when premiums go up.

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Q: Any changes that affect parents?

A: Insurers can no longer deny coverage to children with pre-existing conditions. Parents can keep their adult children on their health plans until age 26.

Q: Are there other consumer protections?

A: The law bars insurers from canceling policies retroactively when a person gets very sick and runs up high bills. Insurers still will be able to rescind policies in cases of fraud and intentional misrepresentation. But they can't cut you off when you need coverage most for a capricious reason.

Q: Why Sept. 23?

A: That's six months after President Barack Obama signed the law. Many provisions were scheduled to start six months after enactment.

Q: Are these changes likely to raise health insurance premiums?

A: The Obama administration says the new benefits will raise premiums by no more than 1 to 2 percent. Benefit consulting companies say the impact will be in the single digits, but may vary from plan to plan.

(Source: YAHOO! News, Sept. 22, 2010, news.yahoo.com)

Food for Thought

Considering a second marriage? Or already in one? It's surprising how often people fail to adjust financial paperwork:

- ◇ Revisit beneficiary designation.
- ◇ Rethink wills

(Source: Money via Business Digest, Aug. 18, 2010)

Tips to Financial Success

Months' Expenses in Emergency Fund

Job losses and the freefall of the U.S. economy during the past two years have put this bit of numerical wisdom to the test. An emergency fund should cover big disasters such as a job loss or time off for medical issues. But right now, so many Americans are struggling just to pay their bills. To many, salting away three months' living expenses seems impossible, let alone the six-month cushion some experts prefer, says Marcia Brixey, author of "The Money Therapist: A woman's guide to a healthy financial life."

One suggestion: Don't put a rainy day fund in the bank or credit union you use regularly. "It's way too easy to transfer money into your checking account for things that are NOT emergencies," Brixey says. Stash contingency cash in CDs, a savings account or money market account. You won't earn a lot of interest, but it will be easier to access when you really need it.

Suggested Savings Rate

Although this figure used to be a minimum of 10 percent, experts now endorse bumping your savings rate up to 15 percent. Subdivide that into 10 percent for retirement and 5 percent for shorter-term savings, such as a vacation. "The rule is sometimes expressed as 90/10 or 85/15 where you spend the first number and save the second number," says Orecchio.

(Excerpted from "6 Figures to Financial Success" by Cathie Gandel of Bankrate.com, <http://ht.ly/2Hp1J>)

Pursuant to federal regulations imposed on practitioners who render tax advice ("Circular 230"), we are required to advise you that any tax advice contained herein is not intended or written to be used for the purpose of avoiding tax penalties that may be imposed by the IRS.

2010 Kansas Tax Amnesty

The 2010 Kansas Tax Amnesty Program is an opportunity for individuals and businesses to pay back taxes for tax periods ending on or before December 31, 2008 without payment of penalty and interest. Penalty and interest will be waived on all paid taxes which meet the amnesty eligibility requirements.

The Kansas Department of Revenue will accept amnesty applications **between September 1 and October 15, 2010**. *Full payment must be received or postmarked no later than October 15, 2010*. To apply for Kansas Tax Amnesty, call the Kansas Department of Revenue at (785) 296-6121.

Eligible taxes and tax period. The amnesty is applicable to the following taxes: corporate income, individual income, franchise, retailers'

sales, compensating use, homestead, withholding, cigarette and tobacco, liquor drink, liquor enforcement, estate, fiduciary income, and mineral severance. Amnesty applies only to tax liabilities due and unpaid for tax periods ending on or before December 31, 2008.

Eligible taxpayers. For an eligible tax and tax period, eligible individuals or businesses include those who did not file a required tax return or report, understated the tax liability on a previously filed return, or have an outstanding balance.

For more information on who does and does not qualify, please see our August 18, 2010 blog post, which is available through our website, <http://crisergoughparrish.com/> or contact the Kansas Department of Revenue at (785) 296-6121.

Criser, Gough & Parrish, LLC

Penny Rader, Editor
9415 E. Harry, Ste. 602
Wichita, KS 67207

Return Service Requested

"Working together for you."

Phone: 316-685-1040
Fax: 316-687-5590
Website: www.crisergoughparrish.com
