



SPECIAL POINTS OF INTEREST:

- Referrals
- Buster's Latest
- Updated mileage rate for 2013
- Are you marketing your business properly?
- Are you and your nest egg in danger?
- Income safe from taxes

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Dedicated to helping our clients keep the money that belongs to them through a focus on tax.

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21 Types of Income that the IRS Can't Touch

When you think about receiving additional income, do you automatically wonder, "How is this going to affect my taxes or how much should I withhold to cover the additional income tax?" Well, you should know while most income you receive is taxable, there are several types of income that the IRS can't touch. Listed below are some of the types of income that increase the money in your pocket without having to pay a percentage to the IRS:

1. Tax free interest. Such as interest earned on bonds issued by state, territory, municipality or any political subdivision (municipal bonds).
2. Carpool reimbursements. If you form a

carpool to carry passengers to and from work, any payments received from the passengers are not included in your income.

3. Profit from selling your house. It has to be your principal residence for two of the most recent five years. You can exclude as much as \$250,000 in gain (\$500,000 on a joint return) when you sell it. This can be claimed every two years.
4. Compensation in the form of health care. If your employer pays your health coverage, this can be considered nontaxable compensation.
5. Compensation in the form of life insurance. *Continued on page 3 ➡*

What Business Are You Really In?

As an example of what I'm talking about, let's say you run a daycare business.

In fact, not only do you run a daycare business, you run it very well. Your employees are licensed and trained to the highest standards; your facilities are top-notch; you've got years of experience and your customers rave about how their kids are happy when they pick them up.

But, you're losing money, because you don't "get" what I'm about to tell you.

You see, you could be the World's Greatest Daycare Business (in absolute truth), and still have a poor bottom line.

Why? Because your competition out-markets you, and so they're making revenue hand-over-fist, and you're struggling to pay the bills.

(Yes, I understand that the things above--facilities, employees, etc. are indeed part of "marketing," but I'm making a more specific point).

You see, the mental shift from "doer of the task" (providing daycare services) to "promoter of your business" (the marketing of daycare services) is vital if you plan on growing your business to the level of your dreams. I would say over 99 percent of the small business owners in America do not make this mental jump from, "I do 'X' for a living" to "I market my business for a living."

Now, don't think I'm being picky here. This is important to get straight NOW, as we get ready to move forward in 2013, still facing a down economy.

The business owner "doer" sees the task as their primary role. The "marketing-minded" business owner sees acquiring clients, retaining them and maximizing their total client value as their primary role. (Providing the particular service is seen as one of many other, also very important, but still secondary, tasks in the office.)

Continued on page 3 ➡

Not Protecting Yourself, and Your Nest Egg, From Significant Market Drops is a Major Retirement Mistake

By: James L. Byrd

There is a financial rule of thumb called the "Rule of 100" that says you should take your age and subtract it from 100. The result tells you how much of your portfolio should be "at risk."

This rule recognizes that as you age, you should be taking less and less risk with your money. As you get older, you are losing time to make up for losses.

Let's look at a quick example. Let's say you are 65 years old. Then simple math gives us the following:

Start with:	100
Minus your age:	<u>65</u>
Amount at risk:	35%

What does the Rule of 100 tell us in this example? If you are 65 years old, you should have approximately 65% of your money invested in "safe" investment tools and you can take risk with the other 35%.

Now, you may be a bit more conservative or aggressive than the average person, so you may tilt these numbers in either direction to best fit you.

But, how does your result match up with how your portfolio is currently invested? If you are like most people, you are probably taking on far more risk than you should. And you've probably seen a couple of big drops in your portfolio in the last few years.

How much did you lose in the nasty market years of 2000-2002? And then again in the 1 1/2 year stretch of October 2007 to March 2009? Losing a significant amount of your portfolio is never easy, especially during retirement! *You have far less time to earn it back.*

So, what investment tools are considered "safe?"

That's a great question, because what you've been told is safe, might not be safe. For example, bond funds of any type do NOT fall in this category. Why? Because they can, and do, lose money, especially in a rising interest rate environment. Nor do corporate bonds, preferred stock, or utilities fall in this category. They can all lose money, and do from time to time.

"Safe" investments mean those investments that can't lose money no matter what. You will only find these products in three places:

1. Banks -up to FDIC protection.
2. Government - holding the actual bonds, not funds. Includes treasuries, savings bonds, inflation bonds, GNMA's and FNMA's.
3. Insurance companies - only their *guaranteed* products, not variable.

Jim Byrd is a licensed insurance professional in the states of Alabama, Florida and Indiana. He holds a Series 65 designation from the North American Securities Administrators Association serving as an Investment Advisor Representative (IAR); a fee based advisor. Jim is a member of the National Ethics Bureau, the Better Business Bureau, National Association of Insurance and Financial Advisors as well as past-Chairman of the Eastern Shore Chamber of Commerce.



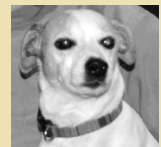
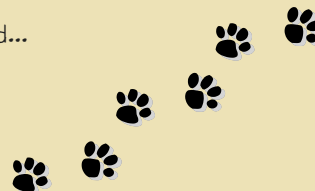
Well, Richard took off for a short vacation... again. Without me... again. At least he didn't go to the beach again. He knows how much I love the beach. No, this time he went to "the Happiest Place on Earth."

I heard him talking about it before he left. It seems his grandson, Jack, was going to run in a 5K race down there. Now, I don't know much about the place they called Disney World, but I know I used to like to run. A LOT! But, Richard didn't take me. Maybe he was afraid I'd chase the mouse. I don't know. I do know that they have to get up for those races long before my gettin' up time though, so I'm glad Missy, my dachshund sister, and I stayed home.

That's right. Even if you saw Facebook posts (by someone else, not that Richard would actually post much) that showed they were down there, Missy and I (and some human person who shall remain nameless) were right here all along. So don't go gettin' on PleaseRobMe.com (Yes, there is such a sight. I went there.) and be planning bad things here. I may be gettin' older, but I aint too old to guard my home place.

And by the way, congratulations Jack on running in your biggest race yet! 10,000 people. I'm not sure how you actually had room to run.

Your canine friend...



Team Jackson in the Happiest Place on Earth

21 Types of Income *continued from page 1*

Coverage of term life insurance of \$50,000 or less paid by the employer isn't taxed to you. You pick the beneficiary and the company pays the premium. The company can deduct the expense and you have additional tax free income.

6. Compensation in the form of sending you to school. Your company can pay and deduct as much as \$5,520 per year in education assistance for either undergraduate or graduate courses.
7. Compensation in the form of transportation fees. If you drive to work and have to pay to park, your company is now able to provide you free parking up to the maximum value of \$230 per month.
8. Compensation in the form of a cafeteria plan. A cafeteria plan can contain several benefits such as a Flexible Spending Account. You, as the employee, choose the nontaxable benefits and you have no additional income (this may include life insurance, disability benefits, dependent care, and/or accident and health benefits).
9. Gifts and other nontaxable gifts such as tuition or medical expenses paid on someone else's behalf.
10. Inheritance.
11. Disability insurance payments. If you purchase supplemental disability insurance with after tax dollars the benefits are nontaxable. Compensatory damages for physical injury or physical sickness and disability benefits from a public welfare fund are considered nontaxable.
12. Child support payments.
13. Employee discounts. If you purchase property from your employer and receive a discount, you do not have to include that discount as part of income nor pay tax on that discount.
14. Meals on work premises. If the cost of meals served on your employer's premises and furnished for the convenience of the employer, it is nontaxable.
15. Employer provided vehicle. If your employer provides you a car for business use, the personal use in that car is considered nontaxable (non-cash fringe benefit).
16. VA benefits.
17. Compensation paid under a worker's compensation act or a statute in the nature of a worker's compensation act.
18. Bankruptcy. Cancelled debt under Title 11 of the US Code.
19. Disaster relief payments.
20. Cash rebates.
21. Scholarships and Fellowships.

These are twenty-one types of income the IRS can't touch, and more importantly leaving more money in your pocket. And I will let you in on a little secret... there are EVEN a few MORE! ☼

2013 Standard Mileage Rates Up a Penny

The Internal Revenue Service has announced that the optional standard mileage rates for use of a vehicle for business or medical purposes rose 1 cent, effective January 1, 2013.

The standard mileage rates for use of car, van, pickup or panel van are now:

- ▶ 56.5 cents per mile for business,
- ▶ 24 cents per mile for medical or moving purposes, and
- ▶ 14 cents per mile in service of a charitable organization.

The rate for service to a charitable organization remains unchanged.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The medical and moving rate is based on the variable costs.

A taxpayer always has the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates. ☼

What Business Are *-continued from page 1*

I hope you can see the difference. (If you are hearing this concept for the first time, let it sink in and think about it for a second. If you don't have clients coming through your door to do business with you and you're the best practitioner in the world, you're still going to starve if you can't get clients!)

The most important part of your business is "making the sale." And how you get someone in front of you to sell your services to is **MARKETING**.

Getting people to call your place of business saying, "I want to do business with you," and then to show up at your door wanting to give you money in return for a particular service is the most important thing you could master.

So, here's my advice for you right now: If you have not already done so, set a day aside before the end of February to lay out a clear, step-by-step marketing plan for the rest of 2013.

This should be a written plan for how you're going to attract the clients you want. This is how it's done. A written plan with real goals. Be conservative on your expectations, and you'll discover this process can be quite systematic. AND you may just "strike gold" and have your conservative projections blown out of the water!

If you'd like help coming up with a marketing plan for your business, call Richard and set up a little one-on-one coaching. If it is vitally important for you to build a growing and more profitable business; if you truly want to **create your own economic boom in 2013**, and claim your share of the entrepreneurial dream, then you may be a good candidate for my coaching program. The first step is to call Kristen at 251-633-4070 and set up a 15 minute consultation with me. There are a limited number of openings. ☼

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We Love Our Clients! Happy Valentine's Day!!



THANKS FOR THE REFERRALS

WE APPRECIATE THE OPPORTUNITY WE'VE BEEN GIVEN TO SERVE OTHERS BY THOSE WHO HAVE TAKEN THE TIME TO EXPRESS THEIR TRUST AND CONFIDENCE IN US TO THEIR FRIENDS. YOUR REFERRALS ARE OUR GREATEST COMPLIMENT.

MIKE McNAIR

This month's Special Gold Member call-in times for Lindsey's Insider Circle will be 2/25/13 from 2:00 to 4:00 pm. To schedule your appointment, contact Kristen at (251) 633-4070.

Reach Out to Our Radio Listeners

Richard is the co-host of "Safe Investing in the New Economy" with Jim Byrd. The show can be heard each Sunday evening at 6:00 pm on WAVH FM Talk 106.5, each Tuesday morning at 10:05 am on WABF 1220 AM and each Saturday morning at 10:30 am on WBHY 840 AM and 103.5 FM.

If you're interested in reaching our listeners, then talk to

Richard about a sponsorship package.

Only a limited number are available.

Looking for Someone You Can Rely On?

We really believe in the process of referrals, so part of the service we provide is to be sure to refer our clients and associates to other qualified businesspeople in the community.

Below, you'll find a list of areas in which we know very credible, ethical and outstanding professionals. If you're looking for a professional in a specific area we've listed, please feel free to contact us.

We will be glad to put you in touch with the people we know who provide these services.

- ⇒ Mortgage Broker
- ⇒ Attorney
- ⇒ Welding Supplies
- ⇒ Cultured Marble
- ⇒ Financial Advisor
- ⇒ Medicare Advantage Programs
- ⇒ Advertising Specialties
- ⇒ Realtor
- ⇒ Plumber
- ⇒ Window Treatments
- ⇒ Auto /Home /Life insurance
- ⇒ Veterinarian
- ⇒ Land Surveyor
- ⇒ Printer
- ⇒ Home Cleaning Services
- ⇒ Air Conditioning
- ⇒ Remodeler
- ⇒ Florist

