

LINDSEY & WALDO

CERTIFIED PUBLIC ACCOUNTANTS

"You see the numbers, we look for the opportunities."



SPECIAL POINTS OF INTEREST:

- Don't make these mistakes
- Call in times
- Quotes
- Referrals

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Taxing Times

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

VOLUME 9, ISSUE 9

SEPTEMBER 2017

5 Tax Pitfalls to Avoid in Retirement

As we transition from our income earning years to our retirement years we begin to realize that each period has a different set of tax pitfalls. Here are 5 of the most common. Each of which can be avoided with a little planning.

Missing the tax impact on Social Security

A portion of your Social Security benefits may be taxable. The formulas are complicated (see example later), but in general terms, if your "Modified Adjusted Gross Income" (MAGI) exceeds \$25,000 (\$32,000 for joint filers) then it's likely 15% of your Social Security benefits will be taxable at your ordinary income rates. If your "provisional income" exceeds \$34,000 (\$44,000 for joint filers) then up to 85% of your benefits could be taxable. Receiving income such as retirement benefits or IRA distributions which cause your income to jump from one level to the next can have a severe impact. You'll pay income tax on the distribution, plus you'll increase the portion of Social Security benefits which are taxable, sometimes doubling the tax burden.

Missing the difference between growth, income, and cash flow

Growth is what you need your portfolio to do in order to have enough money to last your entire retirement. Income is what you will have to pay taxes on, and cash flow is the after tax cash you have to spend on your needs and desires. The goal is to have sufficient cash flow to live your life like you want while paying the least amount of tax possible, and, at the same time, leaving enough in your portfolio for it to continue

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Are You Leaking Profits?

Business people seem quite willing to throw lots of money at the newest, unproven tactic for acquiring new customers/clients/patients when they would be better off plugging the holes in their existing processes that are leaking profits...

Often right into their competitors' pockets.

Here are a couple of areas where you could quickly seal the holes and perhaps, double your profits.

Probably the biggest area of opportunity for most people is following up with non-buyers. Often there is none. No systematized, automated strategy to follow up with prospects to turn them into customers.

Of course, you have to capture the prospect's information first and that's another possible leak. But, if you've done something to capture their name and address or email, then you have the ability to stay in touch and perhaps move them from simply interested to paying customer. The higher the cost of your product or service, the more important this is.

Capturing prospect's information is an absolute must! It can be done online or offline, in-person, or by phone. Even though it's easier than ever, many make no attempt whatsoever and it's costing them thousands and thousands of dollars.

Most business owners, when asked where their best leads come from, invariably say it's a referral from an existing or past customer/client/patient. Yet most stumble

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Are You Leaking Profits?

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across these referrals by chance. Almost none have a systematic approach to generating a steady stream of referrals.

What if you weekly, monthly, or even just quarterly provided your referral sources with the tools they needed to refer others to you, such as useful reports, newsletters, emails, and instructions on your ideal customer and how to introduce others to you. You could create an “unpaid sales army.” By the way, your best referral sources might not ever have been customers. There are others who might champion your product or service. It’s not about who you know, it’s about how well you know them. If you’re curious, look up BNI.com

Plugging holes in your leaky profit bucket is often all you need to do to provide for all the growth you can handle. It just takes a commitment on your part. *

“Whether you think you can, or think you can’t — you’re right.”

– Henry Ford, founder Ford Motor Company

“You shouldn’t focus on why you can’t do something, which is what most people do. You should focus on why perhaps you can, and be one of the exceptions.”

– Steve Case, co-founder AOL

“The way to get started is to quit talking and begin doing.”

– Walt Disney, founder Disney



This month’s special Member-Only call-in times for Lindsey’s Insider’s Circle will be 9/18/17 from 2:00 to 4:00 pm. To schedule your appointment, contact Kristen at (251) 633-4070.

Not a member yet?

Find out how to become one TODAY!

5 Tax Pitfalls—continued from page 1

to grow at a rate that keeps up with, or exceeds, inflation.

Missing a required minimum distribution

Failure to take a required minimum distribution could subject you to penalties as high as 50 percent of the missed distribution. You must take required minimum distributions from any qualified plan or traditional IRA once you reach age 70 ½, and every year thereafter. Don’t rely on your bank, or broker, or anybody else to remind you about this. They will not pay the penalty for you! Roth IRAs are exempt from this requirement.

Missing beneficiaries on qualified accounts

Without a named beneficiary, the money in a qualified account reverts to your estate. The name, or names, listed on the account supersedes anything named in your will or trust, so it’s also a good idea to name a successor beneficiary.

Missing the right beneficiaries

It is generally best to name individuals as beneficiaries instead of your estate or a trust. You also want to avoid multiple beneficiaries with wide age differences. The minimum distribution will be determined using the “life span” of the oldest beneficiary. To avoid this pitfall, consider dividing your IRAs into separate accounts, each with a different beneficiary.

For those two of you who are interested, here’s the example I promised:

John and Jane Smith have an adjusted gross income of \$44,000 for 2016. John receives Social Security benefits of \$7,200 per year and together they receive \$6,000 a year in interest from tax-exempt municipal bonds. On their joint return, the couple would make the following calculations:

(1)	Adjusted gross income	\$44,000
(2)	Plus: Tax exempt income	6,000
(3)	Modified adjusted gross income	50,000
(4)	Plus: One half of Social Security benefits	3,600
(5)	Provisional income	53,600
(6)	Less adjusted base amount	44,000
(7)	Excess of (5) over (6)	9,600
(8)	85% of amount in (7)	8,160
(9)	Amount otherwise includible: Lesser of (a) ½ of benefits received (\$3,600) or (b) ½ of the excess of provisional income minus base amount (\$44,000–32,000)×½ = \$10,800	3,600
(10)	One-half of adjusted base amount minus base amount (for joint filers)	6,000
(11)	Lesser of (9) or (10)	3,600
(12)	Sum of amounts in (8) and (11)	11,760
(13)	85% of Social Security benefits	6,120
(14)	Amount includible in gross income (lesser of (12) or (13))	6,120

Beware the False God of Cheapest Prices

I know in polite company and business communications you're not supposed to talk politics and religion, but I am SO tired of talking to business owners whose religion is...

Price.

At least that's what some of you believe. Based on your actions – the only way you ever talk about your product or service is that you are the cheapest provider in the city/area/community/street/block -- you believe you SHOULD BE and CAN BE the low price leader in your category. Don't you know you are worshipping at the altar of shortsightedness?

Yes, there is a place for the lowest cost provider, but that place is fraught with peril. The margins there are razor thin; you must be ever vigilant to honor the gods of cost cutting and pray that someone more committed (or with deeper pockets) than you doesn't step into your marketplace and undercut your price by a penny.

Remember a few years ago when Apple® released their newest (at the time) iPhones, the iPhone 6 and iPhone 6 Plus. To say there was a lot of hoopla would be an understatement, right? Apple® released the new and improved phones on Friday, September 19th and by Monday they had sold 10 million units, one million more than the first week of the 5s and 5c the year before.

Despite the "bad" economy. Despite losing its visionary co-founder and CEO, Steve Jobs. Despite my belief that 10 million people can't NEED a new Apple® phone. Despite that Apple® products are rarely, if ever, cheaper than the competition.

Apple® has achieved what every business owner dreams of: the ability to charge premium prices and still attract business. Apple® has successfully refused to bow at the altar of low price---and your business can too. Here are four ways Apple® has accomplished this...



Can you apply these principles to your business?

- 1. POWERFUL BRANDING.** Thanks to a well executed branding campaign, Apple® has built a brand that is trendy, cool, and technologically advanced. The iPhone, in particular, has become a status symbol for many.
- 2. STRATEGIC MARKETING.** Every time a new product is launched, customers line up for hours (if not days) outside Apple® retail locations. And every time, a product shortage prompts anxiety and even desperation from customers who were unable to get their hands on the product. The result is a palpable feeling of scarcity and value---customers feel privileged to fork over \$200-300 for the latest model or closer to \$650-750 if their plan isn't eligible for an upgrade! While Apple® won't admit that they intentionally create product shortages in order to create a buzz, it's hard to imagine that they wouldn't be able to meet everyone's demand on day one if they wanted to.
- 3. EXCELLENT CUSTOMER SERVICE.** Apple Care, the company's warranty and customer care program, provides a level of service that is unparalleled in the electronics industry. The peace of mind that comes from knowing that expert help is a phone call away is a big part of the value Apple® provides.
- 4. THE PRODUCT THAT DOESN'T DISAPPOINT.** Branding, marketing, and customer service don't mean anything if the product is disappointing. Apple® doesn't cut corners and doesn't make promises that its products can't keep---resulting in customers that are consistently thrilled with their purchase. At the end of the day, if a product can't live up to the expectations set by its marketing; it won't be successful in the long-term.

Apple® doesn't compete on price---and your business doesn't have to, either. Apply these lessons... and you'll find that you have the ability to charge premium prices and still win the business! *

What I'm Reading...

NOW

Nighthawk by Clive Cussler and Graham Brown

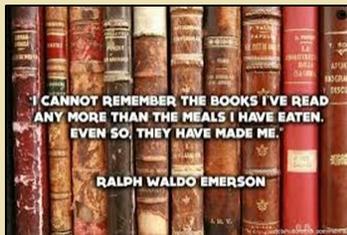
Business Boutique by Christy Wright

RECENTLY

And Then She Was Gone
by Christopher Greyson

Lindberg

by A. Scott Berg



"The critical ingredient is getting off your butt and doing something. It's as simple as that. A lot of people have ideas, but there are few who decide to do something about them now. Not tomorrow. Not next week. But today. The true entrepreneur is a doer not a dreamer."

-Nolan Bushnell, founder Atari and Chuck-E-Cheese's





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(251) 633-4070 or info@CPAMobileAL.com.

Did You Enjoy Your Labor Day Weekend?

If so, thank a Union member (seriously). Labor Day, the first Monday in September, is a creation of the labor movement and is dedicated to the social and economic achievements of American workers. It constitutes a yearly national tribute to the contributions workers have made to the strength, prosperity, and well-being of our country.

Through the years the nation gave increasing emphasis to Labor Day. The first governmental recognition came through municipal ordinances passed during 1885 and 1886. From these, momentum developed the movement to secure state legislation. The first state bill was introduced into the New York legislature, but the first to become law was passed by Oregon on February 21, 1887. During the year four more states, Colorado, Massachusetts, New Jersey, and New York, created the Labor Day holiday by legislative enactment. By 1894, 23 other states had adopted the holiday in honor of workers, and on June 28 of that year, Congress passed an act making the first Monday in September of each year a legal holiday in the District of Columbia and the territories.

More than 100 years after the first Labor Day observance, there is still some doubt as to who first proposed the holiday for workers. Some records show that Peter J. McGuire, general secretary of the Brotherhood of Carpenters and Joiners and a cofounder of the American Federation of Labor, was first in suggesting a day to honor those “who from rude nature have delved and carved all the grandeur we behold.”

But, Peter McGuire’s place in Labor Day history has not gone unchallenged. Many believe that Matthew Maguire, a machinist, not Peter McGuire, founded the holiday. Recent research seems to support the contention that Matthew Maguire, later the secretary of Local 344 of the International Association of Machinists in Paterson, New Jersey, proposed the holiday in 1882 while serving as secretary of the Central Labor Union in New York. What is clear is that the Central Labor Union adopted a Labor Day proposal and appointed a committee to plan a demonstration and picnic. *

WE BELIEVE IN REFERRALS

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.

- ◆ Custom Monogramming
- ◆ Signs
- ◆ Self-storage Building
- ◆ Travel Agent
- ◆ Lawn Care
- ◆ Home Insulation
- ◆ Marketing Coach
- ◆ Social Media Specialist
- ◆ Dentist
- ◆ Realtor
- ◆ Handy-man
- ◆ Bathroom Remodeler
- ◆ Financial Advisor
- ◆ Used Auto Dealer
- ◆ IT Specialist
- ◆ Auto/Home/Life Insurance
- ◆ Pest Control
- ◆ Advertising Specialties

