THE BARROWS SOLLENBERGER GROUP, PC

Helping our clients acquire, grow & preserve family wealth in a tax efficient manner.

Winter 2011

Our Mission

Help our clients make and keep their money.

Ensure our clients achieve their financial goals.

Serve our clients in an efficient and timely manner.

Exceed our client's expectations daily.

INSIDE THIS ISSUE:

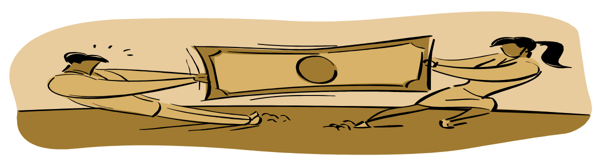
Little Ways YOU Might Improve Your Financial	2
Payroll Tax Cut to Boost Take-Home Pay.	3
IRS Launches the IRS2GO App	
New Cell Phone Rules Will Make Your Ears Ring.	3
Thank YOU For Making Our Event A Success.	4
Seeking "Missing" Pension Beneficiaries	4

A Message from the Partners -

Q. Why do we always ask…."Have you completed your tax organizer and answered all the questions?"

A. Our goal is to make your tax return preparation smoother for you and for us and find EVERY possible deduction. When you answer the questions, we are able to see if you qualify for any additional deductions or tax credits that will reduce your tax bill.

The following are a few simple steps to keep in mind when completing your Tax Organizer.



Do this to maximize your refund	Not That
Do start early! Complete the organizer which includes information that was on last year's return. Missing or incomplete information can be located and the return completed more promptly.	Don't wait until April to gather your information. We will not have enough time to prepare the return and your tax return will have to be extended.
Do talk with your tax preparer to review significant events which occurred in 2010. There are many tax law changes for 2010, you may be eligible for tax credits that are available. Denise and Diane are available by appointment, telephone, or e-mail.	Don't drop off your information without answering the questions in the organizer. Many additional tax credits have been utilized because of answers on the organizer. Don't throw your money away.
If you have had an unusual tax event during the year, call Denise and Diane to set up an appointment to review your tax information. We will provide you with a tax projection so you are better prepared for any tax consequences.	Don't wait until April to find out that your tax bracket increased and you are unprepared for an increased tax liability.

Little Ways *YOU* Might Improve Your Financial Life.

Some things to think about this year—and every year.

This is the year! Yes, you can make 2011 the year **YOU** alter your financial life for a better financial future. Let's look at some steps you might think of taking with *the goal of financial freedom in mind*.

No, we're not talking about those ridiculously obvious steps the usual articles recommend, like "write your goals down" and "set a budget". Let's go past the clichés and get into the real issues.

Look at your income source, your expenses and your debt. How do you earn income? If you earn it from one source, is there effectively a ceiling on it, or is there real potential for your income to rise in the next few years? Now look at your core living expenses, the ones you can't avoid (such as a mortgage payment, car payment, etc.). Can any core expenses be reduced? Investing aside, you position yourself to gain ground financially when income rises, debt diminishes and expenses stay (relatively) the same.

Maybe you should pay your debt first, maybe not. If you are a business owner or a professional, for example, you'll likely always have some debt. Your ultimate goal should be to build wealth—and you can plan to build wealth and minimize debt at the same time.

Some debt is "good" debt. A debt is "good" if it brings you income. If you buy a rental property, you're paying a mortgage, but that's considered a "good" debt because you're getting passive income from the rent payments. Credit cards are "bad" debts.

If you'll be carrying a debt for a while, put it to a test. Weigh the interest rate on the specific debt against your potential income growth rate and your potential investment returns over the term of the debt. If the interest rate on that debt looks like it will outpace your income growth and investment returns, then you should really think about paying that debt down fast, because you can't afford that interest rate.

Or course, paying off your debts, paying down balances and restricting new debts all works toward improving your FICO score, another tool you can use in pursuit of *financial freedom* (we're talking "good" debts).

Implement or refine an investment strategy. You can't refrain from investing, even when the bears are out. You're **not** going to retire on the relatively small elective deferrals from your paycheck, you're going to retire on the interest that those accumulated assets earn over time, plus the power of compounding. Investing can also potentially bring you passive income. Consistent investing, this year and in years to come, has the potential to help you improve your financial life.

Manage the money you make on your way to financial freedom. It's amusing: all these Internet gurus tell you they have a method to make you "financially free" or "debt free", but few tell you how to manage the money you make. Their not-so-subtle message seems to be "succeed and live lavishly" - if you make it financially, you've earned the freedom to blow it all on cars, boats and luxuries.

This is the classic nouveau riche mistake. If you simply accumulate unmanaged assets, you have money just sitting there open to risk—inflation risk, market risk, even legal risks. Don't forget taxes—while not technically a "risk", they are a threat to your money. The greater your wealth, the more long-range potential you have to accomplish some profound things—provided your wealth is directed.

If you want to build more wealth this year or in the near future, don't neglect the risk management strategy that could be instrumental in helping you retain it. Your after-tax return matters even more than your investment return, so risk management should be part of your overall financial picture.

Request professional guidance for the wealth you are growing. Call **Denise Barrows** and she will help educate you about the principles of wealth building. **YOU** can draw on her professional knowledge and guidance this year—and for years to come.

Payroll Tax Cut to Boost Take–Home Pay for Most Workers

Millions of workers will see their take-home pay rise during 2011 because the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 provides a two percentage point payroll tax cut for employees, reducing their Social Security tax withholding rate from 6.2% to 4.2% of wages paid. This reduced Social Security withholding will have no effect on the employee's future Social Security benefits.

IRS launches the IRS2GO App for IPhone and Android

The Internal Revenue Service unveiled IRS2GO, its first smartphone application that will let taxpayers check the status of their tax refund and obtain helpful tax information.

Taxpayers can check the status of their Federal refund through the new phone app with a few basic pieces of information. First, taxpayers enter a Social Security number, which is masked and encrypted for security purposes. Next, taxpayers pick the filing status they used on their tax return. Finally, taxpayers enter the amount of the refund they expect from their 2010 tax return.

For people who e-file, the refund function of the phone app will work within about 72 hours after the IRS receives their tax return.

For people filing paper tax returns, longer processing times mean they will need to wait three to four weeks before they can check their refund status.

About 70% percent of the 142 million individual tax returns were filed electronically last year.

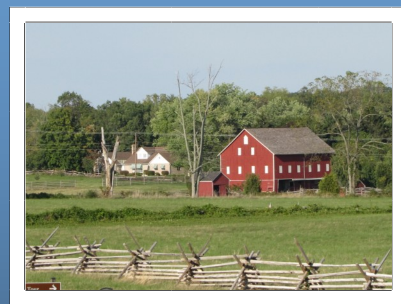
New Cell Phone Rules Will Make Your Ears Ring!

Since 1989, employers and employees have been required to keep a detailed log of business and personal use of employer-provided cell phones. This was required since they were included in the category of listed property under the Internal Revenue Code. Listed property is defined as items that lend easily to personal use, such as company-provided autos. In 1989, cell phones were considered an expensive luxury used by executives. As a result, Congress determined personal use of a cell phone should be taxed the same way as personal use of an auto. Times have changed; cell phones are now used daily by employees at all levels with plans that allow unlimited calling.

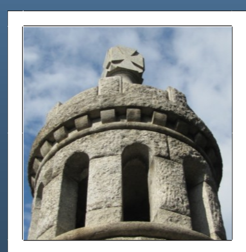
Effective for taxable years ending after December 31, 2009, the new legislation removed cell phones and similar equipment from the listed property rules. This means employers may deduct the cost of providing cell phones to their employees for employment related business use without having to satisfy the strict substantiation requirements for listed property. To support a deduction for the cell phones, the employer only needs to substantiate the cost, in much the same way the employer supports deductions for other types of business equipment.

Gettysburg Battlefield Tour

THANK YOU FOR MAKING OUR CLIENT APPRECIATION EVENT A SUCCESS!



A great tour, and good food was enjoyed by all ages.



Seeking "Missing" Pension Beneficiaries

Are YOU one of the estimated 36,000 Americans who have money owed to them from pension programs? Nearly $197 million in unclaimed pension benefits is waiting for its rightful owners.

A quick search on the Pension Benefit Guaranty Corporation's website (search.pbgc.gov/mp/) will let you know if you are a "missing participant." Just search by your name, state or company.

The PBGC is a federal agency that insures more than 29,000 pension plans in the event the employer files for bankruptcy or decides to terminate the plan.

"I have all the money I'll ever need as long as I die by 4:00PM this afternoon ."