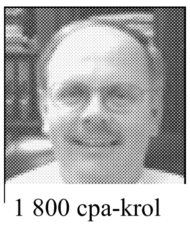

Your Taxes and Financial Matters

By: ***Richard P. Król***

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Note the recordkeeping requirements for charitable contributions

Are you drawing up your year-end charitable contributions list? After you check it twice, add a reminder to gather the paperwork required to claim a gift for yourself: an itemized tax deduction.

Here are four tips:

1. *Remember the new rules for cash donations.* You'll need a written record to deduct cash donations on your 2007 tax return, no matter what amount you donate. The record can be from the charity or, for donations under $250, in the form of a cancelled check, or credit card or bank statement.

If you contribute via payroll deduction, keep your paystub and documentation from the charity (a pledge card, for example).

2. *Know when old rules still apply.* If you donate $250 or more in money or property, ask for a receipt from the charity showing how much you contributed and any benefit you received in return.

3. *Log vehicle expenses.* Your record should indicate the charity's name, the dates you used your car, and either the actual cost of gas and oil or the number of miles you drove. Parking fees and tolls are also deductible, whether you claim actual costs or the standard mileage rate for charitable driving (14 cents for 2007).

4. *Keep receipts for unreimbursed items.* These include out-of-pocket costs directly related to charitable service, such as buying or cleaning uniforms used for your volunteer work.

Self-employed taxpayers get a health insurance tax break

Healthcare issues are once again part of the national debate. As political candidates stake out policy positions, it's a good time to review current federal tax rules for deducting your business health insurance premiums.

The general rule. As a self-employed individual, you can take a federal income tax deduction for up to 100% of the health insurance premiums you pay for yourself, your spouse, and your dependents. The deduction is "above the line," meaning it's available even if you don't itemize deductions on your tax return.

You may also be able to deduct a portion of long-term care insurance premiums.

Who's considered self employed? For purposes of this deduction, you're self-employed if you:

own an unincorporated business.

are a general partner in a partnership.

are a limited partner who received guaranteed payments.

are a shareholder of an S corporation in which you own more than two percent of the stock, and the corporation provided the health insurance.

How it works. Generally, the net income from your business, minus certain retirement plan contributions and 50% of your self-employment tax, determines the maximum deduction. If your premiums exceed this amount, you may be able to take an itemized deduction for the remainder.

What to watch out for. You can't claim the deduction in months when you're eligible for coverage from a health plan paid for by your employer (or your spouse's employer).

If you have additional questions about the ideas mentioned here and/or the many other strategies available to you, they may be directed to me at 800-CPA-KROL (272-5765), or you may write to:

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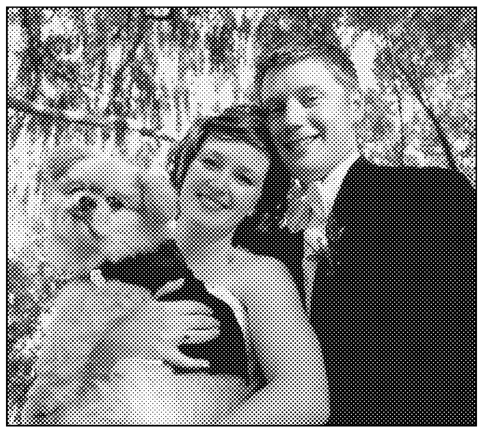
Music News

By: ***Marek Żebrowski and Krysta Close***

Meet the Polish Music Center Manager

By: ***Marek Żebrowski***



Many Angelenos and fans of Polish music everywhere associate the Polish Music Center (PMC) at USC with its Director, Marek Zebrowski. But there is another, often unseen figure who is vital to the day-to -day maintenance of this unique institution: Manager Krysta Close. Ms. Close handles the administrative side of the PMC office, maintains the extensive library collection and the website, and also edits the PMC's monthly online Newsletter. Other projects include editing the volumes of the PMC's Polish Music History Series, organizing the Center's many free concert offerings, and creating concert programs for each event. She is the voice of the PMC, in many ways: when you call the office, she is likely to be the friendly voice at the other end, and you may even hear her sing or speak at the PMC's many events throughout Southern California.

With a last name of "Close" and no discernable accent, one might wonder what drew this American to work at a Polish Music Center. As usual, there is more to the story than meets the eye, or ear. Ms. Close's mother, Marta, and her family escaped the horrors of WWII when Marta was only a few years old, by emigrating from Poland to the U.S. via Brazil and Canada. Although the family assimilated to American life quite thoroughly when they finally arrived here, two qualities remained strong amongst family members: respect for their Polish heritage, and a deep love of music. These were both passed on to the next generation.

Krysta Close began her undergraduate career studying Chinese and Political Science at Reed College, but she soon found that she was unsatisfied with her love of music being relegated to a side interest. While searching for a school with a better music program, she was drawn to USC's faculty and the high quality of the University, but it was the unique presence of a Polish Music Center that was the deciding factor in her transfer. After she graduated from USC in 2003, with a degree in vocal performance yet without a desire to spend the rest of her life auditioning, joining the PMC staff was a natural match. Her strong background in languages was key. Classical vocal training requires proficiency in French, Italian and German, languages that are also necessary for handling scores and music books of any nationality. Also, as the member of a Polish family, she had gained a rudimentary knowledge of Polish as a child, which she supplemented with the one year of Polish language courses that were offered briefly at USC. Her degree in music is helpful, if not necessary, for a thorough understanding of nearly every aspect of managing the PMC. With these skills, plus a willingness to learn new skills such as web design and library management, Ms. Close easily fit the bill as the Manager of the Polish Music Center.

Over the last four and a half years, Ms. Close has helped to expand the influence of the PMC, on the USC campus and in the world. Having come to see music as one of the keys to inter-cultural harmony, she is now looking to increase her skills and apply her experience to a graduate course of study. While continuing to work for the Polish Music Center, Ms. Close will pursue a Master's degree in Public Diplomacy at

Music News to page 10

Investments

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Why You Should Consider Long-Term Care Insurance

The majority of us will require assistance with health and personal needs. Long-term care, whether provided at home or in a nursing home, can be very expensive. The average cost of one year in a nursing home is nearly $74,000; round-the-clock home care can be much more.

Unfortunately, many people are not prepared for these expenses, partly due to increasing life expectancies. Half of couples age 65 and over can expect one spouse to live past 90. And living longer does not always mean living healthy. When you cannot perform two of the six Activities of Daily Living (bathing, eating, dressing, toileting, continence, transferring), long-term care insurance can provide for paid assistance.

Neither the government nor your health insurance will cover your long-term care needs. Medicare provides little, if any custodial care. Medicaid, which is a government welfare program, will not provide long-term care for you until you have impoverished yourself down to $2,000 worth of assets in most states.[1] Furthermore, Medicaid no longer excludes the value of your personal residence from your net worth. In addition, it will "look back" five years for possible asset shifting among relatives.

In addition, we are a generation that overspends and undersaves. Many people do not invest enough for retirement, much less plan how to protect those assets from being consumed by long-term care needs. No one wants to labor a lifetime to accumulate assets only to see them depleted by health care expenses. Whether you want to preserve your estate for your heirs or simply have enough to pay these expenses without exhausting your assets, you should consider long-term care insurance.

"We insure our homes against the slight risk of losing them in a fire, and our autos against the somewhat higher risk of damaging them in an accident. These risks pale beside the magnitude of risk of needing care as we age, which is greater than 1 in 3," according to one major insurer.[2] "Unless you have made provision for long-term care, your financial program could be thrown into chaos by large, unanticipated costs."[1]

If life insurance is your protection against dying too soon, then long-term care insurance is your protection against living too long.

What should you look for in a policy?

Be sure the policy covers in-home care; most of us would prefer to stay in the comfort of our own home. For every person in a nursing home, there are four more being cared for in their homes.[2] In-home care may include home health aides and personal care attendants for help with hygiene, dressing and managing medications. Homemaker services may be available for help with meal preparation, laundry and light house cleaning.

Adult day care programs are usually covered, as is hospice care in the event of terminal illness where special care at home or in a facility is required.

Substantial discounts may be available for shared policies that couples buy together.

Check the policy to determine if care providers can be independent, rather than affiliated with a home care agency. That

Investments to page 10

Legal

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How do I sponsor my family member to come to the United States?

(Part One)

This article will explain how one sponsors a family member for permanent residence in the United States. In the next article, I will explain exactly what you need to do to bring them here.

In fact, much of the immigration to the U.S. that occurs is through sponsorship by a family relative. Family-based immigration allows for close relatives of U.S. Citizens and legal permanent residents to rejoin their families here in America. However, the system is based on categories, each of which has strict annual limits in the number of immigrants allowed each year. This creates backlogs, some of them quite lengthy, in some of these family categories.

The priority is given to "Immediate relatives". This category does not have any limit or cap on the number of visas and therefore, there is no "waiting period" other than the amount of time the Department of Homeland Security (or the U.S. consulate abroad) takes to process these visas. These "immediate relative" categories are:

Spouses of U.S. citizens;

Unmarried minor children of U.S. citizens; and

Parents of U.S. citizens.

In the case of marriage, an application must be submitted along with documents to prove the validity of the marriage and an interview takes place at the DHS office, if they are in the U.S. It generally takes approximately six months to obtain conditional permanent residence for the spouse. Conditional permanent residence is granted for two years.

In the case of all immediate relatives in the U.S., an application for a green card can be processed here. It is not necessary for the relative to be in legal status, but they must have come to the U.S. legally, with a valid visa. If they crossed the border without a visa, they do not qualify.

If the spouse is outside the U.S., then an application is filed here and once approved, the relative goes through "consular processing" back home in El Salvador.

You can sponsor other members of your family besides those in this "immediate relative" category, but in each case there will be a long wait for them to get a green card. The other relative categories have limits on the number of visas and therefore, there are waiting periods, which can run from five to ten years or more. These relative categories are:

Adult children (unmarried) of U.S. citizens (1st preference category)

Spouses and minor children of legal permanent residents (2d preference)

Adult children (married) of U.S. citizens (3d preference category)

Brothers and sisters of U.S. citizens (4th preference category)

The waiting periods for each of these visas can be determined (approximately) by checking the U.S. Department of State website or the Visa Bulletin which they publish. The visa bulletin is available at ***http://travel.state.gov/visa/frvi/bulletin/bulletin_1360.html***

The U.S. Department of State visa bulletin lists each category and the date on which an individual applied in each category who is being processed for a green card currently. From this date, one can try to extrapolate how long it will take for an application filed today to take before a relative qualifies for permanent residence.

As you'll see when you check this bulletin, there are long waits for every category of family sponsorship. Based upon the visa bulletin for December 2007, the current date of processing for the first category (unmarried adult children of U.S. citizens) is ***February 2002.*** This means that these individuals waited over five years from the date of their application until they

Legal to page 10