

AWARENESS IS POWER®

Insights for Business

April 2008

Volume 8 Issue 25

BAYLEY & BENDER, INC
SUCCESS THROUGH INSIGHT!

Beware of Tax Scams

Don't fall victim to tax scams. These schemes take several shapes, ranging from promises of large tax refunds to illegal ways of "un-taxing" yourself.

The IRS suggests that you remember three important guidelines:

1. You are responsible and liable for the content of your tax return.
2. Anyone who promises you a bigger refund without knowing your tax situation could be misleading you.
3. Never sign a tax return without looking it over to make sure it is accurate.

Beware of these common schemes:

Return Preparer Fraud

Dishonest tax return preparers can cause many headaches for taxpayers who fall victim to their ploys. Such preparers derive financial gain by skimming a portion of their clients' refunds and charging inflated fees for return preparation services.

They attract new clients by promising large refunds. Choose carefully when hiring a tax preparer.

Continued on page two – Scams



State of Recruiting

Currently we are experiencing the deterioration in financial market conditions, a turbulent election period, a credit/housing crisis, and increased energy costs. The national index indicates a slowdown in economic growth.

In a recent survey, CEO's of small to mid-sized businesses indicated a significant drop in confidence; a five-year low. Most CEO's surveyed expect the overall economy to weaken but they

anticipate much smaller declines in their own firm's revenues, profits and employment in the coming year as they stated they will remain dedicated to finding and retaining good employees. More than half of the business leaders surveyed think the economy will worsen but they have no plans to scale back recruitment and in fact, they plan to increase their payroll in 2008. Most of these companies state they will raise prices in response to the increased costs of production but staffing remains their most significant issue. Finding, training, and retaining good employees are issues that have remained on the top of their agendas to position their firms for future growth.

The following are some practical things that you can do in this slowing economy:

1. **Make finding, training and retaining top performers your number one priority.** Double your current recruiting efforts. You need top performers on your team. You simply cannot afford to tolerate marginal performers who statistically account for about 10% of every business. You can direct these marginal workers to other career options.
2. **Communicate with each employee.**

Continued on page three – Recruiting

INSIDE THIS ISSUE

1. *Beware of Tax Scams*
1. *State of Recruiting*
3. *One Minute Ideas*
3. *Guidelines to Roth IRA Contributions*
4. *Seven Quick Secrets to Writing Powerful Content*

All articles, quotes, and material in this newsletter are copyrighted. © 2008. No part can be reproduced in any form without specific written consent from copyright holder(s). All rights reserved worldwide.

Continued from page one – **Scams**

As the saying goes, if it sounds too good to be true, it probably is. No matter who prepares your tax return you are ultimately responsible for its accuracy and for any tax bill that may arise due to a questionable claim.

Identity Theft

It pays to be choosy when it comes to disclosing personal information. Identity thieves have used stolen personal data to access financial accounts, run up charges on credit cards and apply for new loans. The IRS is aware of several identity theft scams involving taxes or scammers posing as the IRS itself. The IRS does not use e-mail to contact taxpayers about issues related to their accounts. If you have any doubt whether a contact from the IRS is authentic call 800-829-1040 to confirm it.



Frivolous Arguments

Promoters have been known to make outlandish claims that the Sixteenth Amendment concerning congressional power to establish and collect income taxes was never ratified; that wages are not income; that filing a return and paying taxes are merely voluntary; and that being required to file Form 1040 violates the Fifth Amendment right against self-incrimination or the Fourth Amendment right to privacy. Don't believe these or other similar claims. Such arguments are false and have been thrown out of court. Taxpayers have the right to contest their tax liabilities in court, but no one has the right to disobey the law.

Rebate Phone Call

At least one scheme using the word "rebate" as part of the lure has been identified. In that scam, consumers receive a phone call from someone identifying himself as an IRS employee. The caller tells the targeted victim that he is eligible for a sizable rebate for filing his taxes early. The caller then states that he needs the target's bank account information for the direct deposit of the rebate. If the target refuses, he is told that he cannot receive the rebate. This phone call is a scam. No legislation has yet been enacted that would allow the IRS to provide advance payments to taxpayers or that determines the details of those payments.

Moreover, the IRS does not force taxpayers to use direct deposit.

Continued on next column –

Those who opt for direct deposit do so by completing the appropriate section of their tax return, with bank routing and account information, when they file; the IRS does not gather the information by telephone.

Refund E-Mail

The IRS has seen several variations of a refund-related bogus e-mail which falsely claims to come from the IRS, tells the recipient that he or she is eligible for a tax refund for a specific amount, and instructs the recipient to click on a link in the e-mail to access a refund claim form. The form asks the recipient to enter personal information that the 'scamsters' can then use to access the e-mail recipient's bank or credit card account.



In a new wrinkle, the current version of the refund scam includes two paragraphs that appear to be directed toward tax-exempt organizations that distribute funds to other organizations or individuals. The e-mail contains the name and supposed signature of the Director of the IRS's Exempt Organizations business division.

This e-mail is a phony. The IRS does not send unsolicited e-mail about tax account matters to individual, business, tax-exempt or other taxpayers.

What to Do

If you have received a questionable e-mail or phone call claiming to come from the IRS please forward it to phishing@irs.gov, using instructions contained in an article on IRS.gov titled "How to Protect Yourself from Suspicious E-Mails or Phishing Schemes." Following the instructions will help the IRS track the suspicious e-mail to its origins and shut down the scam.

For more information about these and other tax scams visit the IRS Web site at www.IRS.gov.

"Few of us ever test our powers of deduction, except when filling out an income tax form."
— Laurence J. Peter, author

"People who complain about taxes can be divided into two classes: men and women."
— Unknown

"To give real service you must add something which cannot be bought or measured with money, and that is sincerity and integrity."
— Douglas Adams

Continued from page one – **Recruiting**

Let every employee know, on a one to one basis, that the economy is getting rough and that every possible unnecessary cost must be cut. Ask employees where they think costs can be cut. The Southwest Airline employees who cleaned the airplanes suggested replacing expensive trash bags imprinted with the corporate logo with ordinary trash bags and the company realized significant savings throughout the years. In addition, listen to each employee and make sure they have what they need to do their jobs.



3. **Set the example.** You must show your employees that you are serious about making corporate and personal sacrifices. You may consider picking up your speed and sense of urgency and controlling costs since you set the tempo for your employees.
4. **Be honest with your employees.** The less time your employees spend worrying and wondering, the less productive time is wasted. If your employees are afraid of losing their jobs, the best ones will leave first.

Many experts believe that a recession is very good because it cleans out the weak, just as a naturally occurring forest fire cleans out the dead wood. You can maximize your competitive advantage by having those top performers on your team.

Reprint permission granted by author: Fred Khachi, JK Consultants

Guidelines For Roth IRA Contributions

Taxpayers confused about whether they can contribute to a Roth IRA should consider guidelines based on the following categories:

- ✓ **Income Limits** – To contribute to a Roth IRA, you must have compensation (e.g., wages, salary, tips, professional fees, bonuses). These limits vary depending on your filing and marital statuses.
- ✓ **Age** – There is no age limitation for Roth IRA contributions.
- ✓ **Contribution Limits** – In general, if your only IRA is a Roth IRA, there is a maximum. The maximum contribution limit phases out depending on your modified adjusted gross income.
- ✓ **Spousal Roth IRA** – You can make contributions to a Roth IRA for your spouse provided you meet the income requirements.
- ✓ **Time** – Contributions to a Roth IRA can be made at any time during the year or by the due date of your return for that year (not including extensions).



Roth IRA contributions are not tax deductible and are not reported on your tax return. You do not include in your gross income, and therefore are not taxed on, any qualified distributions. Visit the IRS Web site at www.IRS.gov for more information.



ONE MINUTE IDEAS

Pillars of Success. Don't miss this book! It's a Great Gift for your team, family, friends, or co-workers. Call Janine to order – 301-439-8317 or click on the image for more information!

PILLARS OF SUCCESS

It's no secret that success is something everyone wants. The process can be a mystery and *Pillars Of Success* is a book all about revealing success secrets of several of the most prosperous people in business today.

Contributing author Pat Bender has an **Awareness Is Power®** process. "The more aware you are," she says, "the more aware you'll become."

You will learn what Pat says are three important things leaders and successful people have in common.

**CLICK ON THE IMAGE FOR MORE
DETAILS AND TO GET YOUR COPY
TODAY!!**



**Don't miss next month's issue.
Subscribe now!**

**AWARENESS IS POWER®
Insights for Business**



2024 Powder Mill Rd
Silver Spring, MD 20903
Tel: 301-439-8317

E-mail:

aip@awarenessispower.com

Visit Our Web Site at:
www.awarenessispower.com

12 Issues For Only \$97

Seven Quick Secrets To Writing Powerful Content

These are successful tips for writing powerful sales letters, articles, titles, and other marketing material. We have spent a small fortune learning this information not to mention the incredible amount of time of actually doing it. This is a partial list of some of the most important aspects.

Now you can benefit from all this research, education, experience, and trial and error condensed in this short article.

Use these tips for all of your sales letters, titles, and articles:

1. Create an outline before writing the content.
2. Spend 80-90% of your time on creating a powerful headline and sub-headline. (prior to writing the content)
3. Create a first draft without worrying about spelling, grammar, and format.
4. Rewrite and edit after a day or two.
5. Eliminate words that are not necessary. Make sure your message is complete but condensed.
6. First and last paragraphs are the most important (aside from the headline). Rewrite these as many times as it takes to be very powerful. A good technique for the last paragraph is to create a brief powerful summary and call to action.
7. Use testimonials if possible.



Author: Gary Sorrell, Copyright 2008 All rights reserved. 740-824-4842

Alert Supervisors To Little Known 'Association-Bias' Law

By now, your supervisors know it's illegal to discriminate against someone because of his or her disability. But do they also know about a less-obvious part of the ADA that makes it illegal to discriminate against people because they have an association with a person who has a disability.

For example, you can't refuse to hire someone because of an unfounded fear that the person will be excessively absent or unproductive because they need to care for a disabled child. The ADA's association provision covers hiring, firing and other terms and conditions of employment.

Other examples of discriminatory actions:

- ◆ Firing or refusing to hire someone based on concerns that the person will acquire a condition from a family member or friend
- ◆ Refusing to provide health insurance for an employee's family member with a disability when you generally provide health insurance for employee dependents
- ◆ Harassing someone based on the individual's association with a person with a disability
- ◆ Firing, refusing to hire or denying benefits to someone because of concern that the organization's image will be hurt by an employee's association with individuals with disabilities (*Example: Discriminating against an employee who provides volunteer services for AIDS patients.*)



Note: The EEOC has published a Q&A fact sheet that explains this ADA provision. Read a copy of it at

www.eeoc.gov/facts/association_ada.html

Bayley & Bender 301-439-8317 or E-mail: aip@awarenesspower.com
2024 Powder Mill Rd, Silver Spring, MD 20903
Visit Our Web Site at: www.awarenesspower.com