

SOLUTIONS

May ♦ 2012

Professionally Speaking

Please join us for these valuable educational events in May:

Wednesday, May 16 - Join founding shareholder **Hal J. Michels, CPA**, and a panel of experts at the Greater Philadelphia Chamber of Commerce from 8:30 to 11:00 am to discuss **"How to Better Engage Your Workforce."** This **Owners Only** seminar is open to GPCC-member small business owners with 100 employees or less. Learn how employee engagement impacts more than just your employees — it drives your bottom line. \$25/per person. Register online at www.greaterphilachamber.com/event.

Thursday, May 17 - Is your business using QuickBooks effectively? Join our Intuit Certified QuickBooks ProAdvisors Madeline G. Weinrebe, CPA, and Linda A. Nitterauer, CPA, from 12:00 to 1:30 pm at Keller Williams Realty, 1619 Walnut Street, 5th Floor, Philadelphia, for **"How to Use QuickBooks to Manage Your Business and Maximize Your Bottom Line."** This program is offered in partnership with the Center City Proprietors Association; registration is just \$10.00 for our clients and CCPA members (\$20 for non-member/clients). A light lunch will be provided. Register online at www.centercityproprietors.org/View/Events.

Nearly 100 people attended the GPCC Nonprofit Series Seminar on **"Establishing Good Board Governance"** on April 12th. Fran Sperling Feldbaum, CPA, a principal of St. Clair CPA Solutions, was one of four experts guiding this dynamic discussion of best practices in nonprofit board governance. To learn more about how we assist nonprofit organizations, please contact Fran at 856.482.5600 or fsfeldbaum@stclaircpa.com.

Presented by

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Dear Clients and Friends

St. Clair CPA Solutions Awarded "2012 Best of South Jersey" and "Top Workplaces 2012"

On April 29, 2012, St. Clair CPA Solutions was honored to be named the **Best Accountant of South Jersey** in the *Courier-Post* Reader's Choice Awards. The 25th anniversary of the Reader's Choice Awards coincides with our own 25th anniversary, making 2012 a celebratory year for all.

St. Clair CPA Solutions was equally pleased to be recognized as one of the **"Top Workplaces 2012"** by *The Philadelphia Inquirer* and *Daily News* on March 18, 2012. These awards are particularly meaningful because



they are bestowed by our clients, colleagues, community, and employees. We are grateful to everyone who voted us the Best Accountant of South Jersey, and appreciate all of our employees, who work every day to help us exceed client expectations by delivering the "Best" personal service.

Looking Ahead: Preparing for Higher Taxes in 2013 with Tax-Deferred Investment Vehicles

Optimizing the Tax-Efficient Frontier May Help Investors Manage Rising Taxes

Whatever the outcome of the November elections, one thing is certain: the Bush-era tax cuts that many Americans have enjoyed for the past decade are scheduled to expire on December 31, 2012. Compounding the impact of looming higher taxes is the new tax on investment income that will take effect in 2013, the rise in the estate tax rate from 35% to 55%, and the drop in both the estate tax and gift tax exemptions from \$5 million to \$1 million. If Congress does nothing in the interim, high net worth individuals will be faced with a rising tax environment next year.

The new tax on investment income was approved when Congress passed the health care reform law in 2009. Starting in 2013, taxpaying families whose overall income exceeds \$250,000 will pay an additional tax of 3.8% on taxable investment income such as interest, dividends, capital gains, rents, and royalties.

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Announcing WealthPortSM Your Personal Financial Website: A Valuable Wealth Management Portal from CPA Financial Group, LLC

CPA Financial Group, LLC, an affiliate of St. Clair CPA Solutions, helps individuals and businesses build and manage wealth with client-focused financial services for every stage of the family and corporate lifecycle. To help our clients implement CPA Financial Group's comprehensive approach to financial planning, we are delighted to introduce you to WealthPortSM — a safe, non-transactional system that aggregates all of your accounts into one 360 degree view. Your WealthPortSM personal financial website serves as a real-time window into your entire financial world, accessible to you with any internet connection or mobile device.

WealthPortSM uses sophisticated technology to link all of your financial accounts into one secure, personal financial website, providing you with a deeper understanding of your financial situation. By helping you organize your accounts and keep them up-to-date, WealthPortSM allows you and your advisors to

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Looking Ahead: Preparing for Higher Taxes in 2013 with Tax-Deferred Investment Vehicles, cont.

This tax will not be levied on non-taxable income (i.e. tax-exempt municipal bond interest, amounts withdrawn from qualified pension plans and IRAs, or any distributions from permanent life insurance policies). Thus, wealthy investors may find that tax-deferred vehicles such as permanent life insurance and annuities may be preferred investment alternatives.

Finding the Tax-Efficient Frontier

Experienced investors know that financial advisors use asset allocation to plot an “efficient frontier” – a portfolio that offers the best possible expected level of return for its level of risk. But with the prospect of higher taxes in 2013, financial professionals are now considering the “tax-efficient frontier,” in which tax-deferred vehicles take on greater importance to potentially increase returns without increasing risk.

Recognizing that different asset classes have different tax characteristics, the tax-efficient frontier layers “asset location” with asset allocation to ensure that tax-efficient asset classes (i.e.

equity index funds) are held in taxable accounts and tax-inefficient assets such as income-producing assets (i.e. bonds and commodities) are held in tax-deferred accounts. Although the low contribution limits of 401(s) or IRAs may limit the access that affluent investors have to tax deferral, a new category of low-cost, no-load variable annuity may provide an attractive alternative, offering these investors virtually unlimited tax deferral and a way to increase long-term returns.

Prudent planning for the possibility of higher taxes requires an analysis of the asset classes in your portfolio, as well as careful consideration of new investment vehicles that may offer more opportunities for tax deferral. Blending the tax expertise of St. Clair CPAs, P.C. and the wealth management expertise of CPA Financial Group, LLC, the professionals of St. Clair CPA Solutions are uniquely qualified to help you evaluate the impact of higher taxes and plan accordingly. Please contact us to discuss your personal financial situation, and whether tax-deferred investment products can help you accumulate and preserve wealth.

Announcing WealthPortSM Your Personal Financial Website: A Valuable Wealth Management Portal from CPA Financial Group, LLC, cont.

monitor significant changes in your portfolio and identify strengths and weaknesses in your portfolio’s asset allocation. While putting you in control of your financial plan, WealthPortSM enables our financial professionals to make better recommendations that may help improve overall performance, minimize the impact of debt and taxes, enhance your lifestyle, and preserve wealth for future generations. As the one-stop portal to your financial world, WealthPortSM makes your life easier and tracks your progress towards achieving your financial goals.

To learn how WealthPortSM can help you organize your accounts and pursue your financial objectives, please contact Rob Welch at 856.482.5600.

CPA Financial Group, LLC is an affiliate of St. Clair CPA Solutions, a leader in accounting and consulting services serving the greater Philadelphia region since 1986. Accounting services offered by CPA Financial Group and/or St. Clair CPA Solutions are separate and unrelated to Commonwealth.

Investments Page

Interactive charts and more detailed views provide you with increased visibility into your accounts.

Fresh Design

Your complete financial picture comes to life.

Intraday Price Updates

Your investment prices update throughout the day, not just nightly.

Financial Connections

Connecting your accounts is easy with intuitive data entry.

Spend Tracking

Your bank and credit card transactions import so you can see what you’re spending. Create custom categories to track your spending the way you want.

Vault Enhancement

Drag and drop, tagging and export features help you organize and access your important documents faster.

Budgeting Tools

Budgeting tools help you see where you’re at with reaching your goals.