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NEWSLETTER
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REPRESENTING YOURSELF

"He who represents him or herself has a fool for a client". I'm sure we all heard that before. But yet we see individuals doing just that, representing themselves before the IRS. I will leave it to your imagination who will win.

INDIANA'S TAX AMNESTY LAW

We have been receiving unsolicited letters from the Indiana Department of Revenue under the auspices of the new amnesty law. These letters allege that there is a tax due with little or no explanation. Make sure you review their claim and if it is unfounded, let them and the Governor know immediately. If you are unsure about a claim, please let us check it out before writing a check to the Indiana Department of Revenue.

IRS INCREASED AUTO MILEAGE TO 48.5 CENTS EFFECTIVE SEPT. 1, 2005

OCTOBER 17TH IS THE DEADLINE TO FILE YOUR 2004 PERSONAL RETURNS

THIRD QUARTER PAYROLL TAX FORMS ARE DUE OCTOBER 31, 2005

HOW MUCH IS ENOUGH IN RETIREMENT?

Living longer requires each of us to examine this question. The amount we need in retirement obviously depends on our station in life. For example, an officer in a FORTUNE 500 company may require a monthly income in retirement of \$240,000. A retired maintenance worker in the same company may only require \$2,000 a month. To figure what monthly income one needs in retirement requires an honest assessment of spending habits now and what those habits will be in retirement. For example, in retirement one will not have to purchase business clothing, commuting expenses, etc. However, new expenses will have to be considered, for example, vacation cruises, a condo in Florida, etc.

Not too long ago we looked to three sources for our income in retirement: Social Security, company pension and our own investments. Today many companies no longer provide its employees with a pension plan. So the retirement minded can only look to Social Security and their own investments to fund their retirement.

As an illustration, let's assume that, in today's dollars, a person requires \$4,000 a month in retirement and expects to receive \$1,300 a month from Social Security. The balance, \$2,700, must come from investments since there is no company pension. That means \$1,080,000, invested at 3% per annum, would be required to produce the \$2,700 monthly amount. Instead of investing in a safe investment earning 3% per annum, how many of our readers think our 65 year old aspiring retiree should invest the \$1,080,000 in the stock market?

THANK YOU FOR YOUR CONTINUED BUSINESS AND REFERRALS.

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