

Thursday, August 25, 1983 O&E



finances
and you
Sid
Mittra

Plan offers tax shelter

If you are like most of us, you have probably never heard of the Section 401 (k) plan. Yet, it provides an outstanding tax shelter for anyone who qualifies for it.

Simply stated, if you work for a corporation which offers this plan, you can elect to have up to 10 percent of your salary deposited in an investment account, with no taxes due on either the contributions or earnings until you make withdrawals. So your money can grow in a tax-deferred environment.

The 402 (k) plan, or the Salary Reduction Plan (SRP) has several advantages over an IRA.

- You can contribute up to 10 percent of an SRP, whereas your IRA contribution is limited to \$2,000 per year.

- Frequently, your company would match half your contributions up to the 6-percent level. You would then have an instant 50-percent return on your investment.

- When you withdraw the money from an SRP, you can apply the 10-year averaging rule (it calculates your tax as if the money were paid out in equal annual amounts over the following 10 years). Ten-year averaging is not allowed for IRA funds.

THERE ARE SOME disadvantages associated with SRPs as well.

- Money from this plan is extremely difficult to withdraw before you leave the company. In contrast, you can always withdraw your IRA fund if you pay the penalty and taxes.

- In SRPs your investment options are fewer than those available for IRAs.

Since payments from the company pension plan after retirement are usually based on that employee's salary in the last few years and since the SRP reduces your salary, you may receive lower pension payments on earnings after salary reductions. You should therefore examine the SRP carefully before participating in it.

SEMINAR: The Observer & Eccentric Newspapers and I will conduct our next financial planning seminar 8-9:30 p.m. Wednesday, Sept. 7, at the Michigan State University Management Education Center, Troy. Subjects may include: Budget analysis, children's education, tax shelters, stocks and bond investments, wills and trusts, financial independence, inflation problems, interest rates, mutual funds, and estate planning. The seminar is free, but registration is required. For more details, call 643-8888.

Sid Mittra is president of Coordinated Financial Planning Inc., in Troy and a professor of management at Oakland University in Rochester.

marketplace

The Incredible Edible's restaurant in Beverly Hills and the Lobster Trap restaurant in Detroit have named Dennis R. Green & Associates of Southfield as their advertising agency.

Christiana Lovio-George of Bloomfield Hills will be spotlighted in Glamour Magazine's September issue. Lovio-George is president and owner of Lovio-George Inc., a public relations and marketing firm.

Michigan National Brokerage Services has opened a trading floor in Detroit. The broker is a division of Michigan National Corp.

New Venture Development of Orchard Lake is a new business that offers counseling and participation in all facets of venture creation and management. Donald L. Walts is president of the company.

Gillett Associates Inc., architects, engineers and planners, has moved its office to 2299 E. Lincoln, Birmingham. The new telephone number is 645-2880.

Cynthia Leonard of Birmingham is the new owner of Scandia Down Shops in Farmington Hills. The shop offers comforters, pillows, bed linens and specialty items. The telephone number is 855-5720.

Coopers & Lybrand has written a new guide for entrepreneurs "The Emerging Business: Managing for Growth." The book addresses business planning, financing, fringe benefit plans, computer selection and tax strategies.

ComputerTowne of Farmington was named a new dealer for the ACCESS computer system by Access Matrix Corp. of San Jose, Calif.

Stone & Simoes Advertising of Southfield received a Merit Award in the national foods category from the American Marketing Association of New York for advertising created for "Shedd Spread."

Earl Keim Realty has published two guides: a 28-page Home Buyers Guide and the 24-page Home Sellers Guide. They explain the basic process of buying or selling a house.

Compware Corp. of Birmingham was tied in the second annual Venture Magazine "FastTrack 100." The list is of the largest businesses in the country, started within the last decade. That are still run by their founders. Compware was founded in 1972.

datebook

● SMALL BUSINESS TRAINING

Saturday, Aug. 27 — To introduce business owners to Michigan State University's small business management programs, MSU and Small Business Management Schools of Royal Oak will hold a free workshop at 10 a.m. at the MSU Management Center in Troy. For more information, call Small Business Management Schools at 542-1220.

● NEIGHBORHOOD IMPROVEMENT

Wednesday, Aug. 31 — Manufacturers Bank and the Neighborhood Resource Center Project will sponsor a seminar to help neighborhood organizations and individuals improve their neighborhoods. The seminar will begin at 6:30 p.m. at the Main Library in Detroit and conclude at 8:45 p.m. For more information, call Manufacturers Bank at 222-5831.

● LOW BACK PAIN

Thursday, Sept. 1 — Free low back pain seminar begins at 7 p.m. in Oak Park Community Center. Sponsored by Chiropractic Associates of Oakland. For reservations, call Nancy Workman at 546-8200.

● WOMEN IN TELECOMMUNICATIONS

Monday, Sept. 5 — International Organization of Women in Telecommunications Inc.

meets at 6 p.m. at American Bell Inc. in Southfield. Program: first of three parts of "Basic Data." Price: \$1 for members, \$4 for non-members. For reservations, call Donna Seligman at 649-4454.

● SMALL BUSINESS SUCCESS

Monday, Sept. 5 — "How to Start a Successful Small Business," a six-week course, will be offered 7-10 p.m. by Michigan State University's School of Business and Small Business Management Schools of Royal Oak. For reservations or for more information, call 542-4220.

● MECHANICAL PIPE ESTIMATING

Thursday, Sept. 8 — Mechanical Pipe Estimating I and II will be offered by the Institute for Construction Management, the educational arm of the Construction Association of Michigan. The courses will be given at the Builders Exchange Building and are taught by Paul Kelly. For more information, write the Institute for Construction Management, 1351 E. Jefferson, Detroit 48207.

● COMPUTER COURSES

Thursday, Sept. 8 — Non-credit computer courses, including BASIC on the IBM p.c. or Apple II begin today. Tuition: \$70-\$115. For details, call the Continuing Education office of Oakland University at 377-5120 during normal business hours.

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● WORD PROCESSING OVERVIEW

Saturday, Sept. 10 — A word processing overview seminar will be 10 a.m. to noon at the Wordprocessor Learning Center of Southfield. A variety of computers will be demonstrated. Fee is \$20. For further information, call Barbara Spears at 559-5920.

● CHILD CARE

Tuesday, Sept. 13 — Americare Systems Inc. will sponsor a seminar for businesses on child care options for employer-related child care 12:30-2 p.m. at the Steak and Ale Restaurant in Farmington Hills. Price, including lunch, is \$30. For more information, call Americare Systems at 858-5980.

● ARCHITECTURAL ESTIMATING

Tuesday, Sept. 13 — Introduction to Architectural Estimating and Architectural Estimating II will be offered by the Institute for Construction Management, the educational arm of the Construction Association of Michigan. The courses will be given at the Builders Exchange Building and taught by Jim Wildis. For more information, write the Institute for Construction Management, 1351 E. Jefferson, Detroit 48207.

● SUCCESS BY SELECTION

Tuesday-Thursday, Sept. 13-15 — The three-day course Success by Selection will be given in Birmingham by Executive Consulting Services of Farmington Hills. For more information, call Carol Thomas at 851-4300.

● EFFECTIVE SECRETARY

Thursday, Sept. 15 — A seminar on improving secretarial effectiveness will be given at the Pontchartrain Hotel by Batten Seminars. Cost: \$135 per person, \$125 per person in groups of three or more. Fee includes all materials, seminar instruction and refreshment breaks. For further information, call Batten Seminars at 1 (800) 255-6139.

● COMPUTER EXPO

Thursday-Saturday, Sept. 15-17 — The Southfield Electronic Office and Computer Expo will be in the Southfield Civic Center, 10/4 and Evergreen. For more information, call the city of Southfield.

● CAREER FAIR

Wednesday, Sept. 28 — "Career Expo '83" is billed as the world's largest career fair, 9 a.m. to 9 p.m. at the Pontiac Silverdome. The event will feature career displays and feature representatives from industry, government, education, training and vocational schools.

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- Fixed rates for two years
- Choice of DENTAL CARE NETWORK dentists
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Or choose Blue Cross and Blue Shield of Michigan's classic group dental coverage that offers:

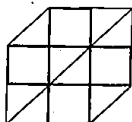
- Benefits tailored to meet your group's needs
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Two great group dental plans with first-rate coverage and service. Both priced to fit your budget.

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Oakland and Macomb counties, 247-3300; Detroit area including Wayne, Washtenaw and Monroe counties, 584-6190; Detroit area including Wayne, St. Clair and Livingston counties, 225-8585.



DENTAL
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Blue Cross
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DENTAL CARE NETWORK is a program of Health Service Company, a wholly owned non-profit subsidiary of Blue Cross and Blue Shield of Michigan.

*Wayne, Oakland, Macomb, Washtenaw, St. Clair, Livingston, and Monroe.