

MORE THAN MONEY



SID MITTRA, Ph.D.

Deferrals can help you lower your tax bill

Editor's note: This is the last article in an eight-part series on tax planning. Reprints on risk begin next week.

Today's column discusses deferral strategies as a means of lowering your tax bill. Another strategy of tax reduction is deferral, which refers to the action taken to defer taxes to future years. There are two main types of tax deferral: deferral with pre-tax dollars and deferral with after-tax dollars.

Deferral with pre-tax dollars

Qualified pension and profit-sharing plans for employees are essentially savings plans with two tax incentives:

- Money saved from current income and contributed to properly qualified plans is deductible from gross income as an expense and therefore reduces tax liability.

- The interest income, dividends, and any capital gains earned in such plans are not taxable until the trust until the participant retires and actually uses the retirement fund. The money is taxed as ordinary income when received after retirement.

A second choice relates to contributions to Keogh plans. Self-employed people with Keogh retirement plans can make tax-deductible contributions to several different kinds of plans.

Self-employed people also have the right to deduct 40 percent of the cost of health insurance for themselves and their families as an adjustment to income.

A third choice of tax-deferral is an IRA.

An individual who is not covered by retirement plans at work as well as a married employee whose adjusted gross income is on a joint return falls below \$40,000 (\$25,000 for single taxpayers) can deposit annually up to \$2,000 each, or \$4,000 for a couple, in IRAs.

These contributions are fully tax deductible and related earnings are tax deferred.

Furthermore, even those individuals who cannot make tax-deductible IRA contributions can make these contributions with after-tax dollars and are allowed to treat the IRA-related earnings as

Please see MITTRA, B6

Sid Mittra, Ph.D., CFP, is professor emeritus of finance, at Oakland University, and owner of Mittra & Associates, a Rochester Hills financial consulting firm. This column was critically reviewed by Professor Jerald Grossman of OU. You can e-mail questions or comments to Sid Mittra at smittra@oakline.com.

Polished English can help business

BY BARR PERT TEMPLETON
SPECIAL WRITER

In business and in social settings there is likely nothing more important than being understood. Today's culturally diverse workplace has created opportunities for all but for those who find English to be their second language, the challenges are great. That's where speech language therapist and foreign accent reduction instructor Susan Calderone, M.A., C.C.C., steps in to help out.

She has established her own business based on teaching individuals proper English pronunciation and the reduction of their own foreign accents.

A native of Royal Oak, Calderone graduated from Michigan State University before moving to Illinois to complete work on a masters degree. Her initial employment at a speech therapist included working with those who had suffered head trauma and strokes.

She later served as a teachers assistant for young children with speech delays and foreign students practicing their English.

In 1990 Calderone left her job to be at home with her young children and decided to take additional classes in foreign accent reduction. She soon discovered that the techniques taught were very similar to those she had used to help children and victims of stroke with speech patterns.

"I found that when we approach this in different ways we can turn the light on in different parts of the brain," Calderone said. "My clients say that pronouncing the sounds used to be such a secret to them but now it's not."

The courses are ideal for foreign employees who are doing phone work, computer technicians and physicians who have difficulty speaking with patients.

"This facilitates the teaching process within a company and improves communication and efficiency in business," Calderone said.

A 2-14 week course includes recording the students' speech, analyzing the results and then putting an individual speech improvement program together for each pupil.

"I'll listen for correct and incorrect pronunciation of sound, incorporate new ways to move our mouths, talk about how sound is made in the mouth and help them to learn phrases and sentence structure. Their skills improve and they are ready for conversational English," Calderone said.

Lessons are generally given once a week and students are expected to devote another 20 minutes a day to practice.

"It does depend on a persons motivation and perseverance but practicing regularly can improve a speech pattern and really anybody can make an improvement," she said.



Teaching: Susan Calderone works with client Wensheng Weng on his pronunciation technique.

When Calderone dubs the pre-course tape and the post course speech test together it allows the students to hear their own improvement.

"I tell many of my students that they have to realize that when they were learning English in their country they were being taught by a person who had an accent," Calderone said. "They have to learn how to listen to and make the words here. They have to erase the old and bring on the new."

Despite the fresh approach, Calderone said her students don't lose their accent all together, but rather, are able to improve on their pronunciation of English. There are certain sounds, like r's, l's, th's and z's that often need to be worked on. The first level of Calderone's course usually "takes the edge off and makes a good impact on their speech."

After that some students decide to come back for a more intense second level course.

"I've had managers call me to say their employees come to them after the course and say they never knew something like this was possible for them," Calderone said.

She has worked with clients from over 20 different countries including China, Japan and the

Philippines. Most have had English training but not any real conversational English.

"So far most of my clients have been through word of mouth but I do get lots of referrals from Northwestern University in Chicago too," Calderone said.

Allstate, Compuware Corp., Motorola, Inc. and First National Bank of Chicago are among the list of corporate clients Calderone has provided the Foreign Accent Reduction program, too. The cost to an individual client through a corporation would be about \$1,000 for 12 weeks plus the cost of materials. Calderone also had group rates for private and corporate participants.

Elke Hille, of Farmington, recently took two different courses taught by Calderone. She had moved to the United States from Germany four years ago and still didn't speak English all that well when she enrolled in Calderone's course.

"The foreign language teachers tell you to listen and repeat the words but I'm not able to hear it well enough to do it," Hille said. "Susan's approach

Please see ACCENT, B6

Local Virtual Michigan creators honored

"Virtual Michigan," the web site created by Media Genesis of Bloomfield Hills, has been honored by the state Legislature.

District legislators Sen. Michael Bouchard and Rep. Patricia Godchaux co-sponsored a tribute that was also signed by Gov. John Engler to coincide with Michigan Week, May 16-26.

Virtual Michigan (www.virtualmichigan.com) is the most complete private guide to the Great Lakes State on the Internet.

Brad Frederick, who co-founded Media Genesis in 1996, got the idea when he and wife Karen turned to the Internet for information on schools for their son, Evan, who was about to enter kindergarten.

"The Internet is a great resource," says Mr. Frederick, "but when it came to gathering the information we wanted for a specific location, it proved to be somewhat frustrating. We simply

could not find what we wanted all in one place."

Richard Stuhlsatz, VP, Technology, adds, "As we thought more about it, an idea started to form for a web site exclusive to Michigan and its resources. That way, anyone with access to the Internet could satisfy their needs in one place with a few clicks of a mouse."

Michigan now has a channel to mar-

Please see VIRTUAL, B6

Auburn Hills' SES employment firm expanding

Simplified Employment Services, Inc. (SES), headquartered in Auburn Hills and one of the nation's leading employment administrators, will open a regional headquarters in downtown Charleston which will serve the fast-growing Southeastern market.

SES acquired Employee Resource Management, Inc. (ERM), an administrative employer firm in Charleston, South Carolina, on Nov. 22.

ERM, now a division of SES and known as SES Southeast, announced their move last week in conjunction with the Charleston Regional Development Alliance. SES Southeast will cre-

ate 75 direct jobs and invest \$2 million in the region's economy.

ERM started in business in 1989 and has received the South Carolina 100 award. They currently have 2,000 employees professionally employed by over 150 clients. ERM is a recipient of the Ernst & Young Entrepreneur of the Year award and is recognized by the United States Chamber of Commerce as a Blue Chip Enterprise Company.

"We chose to open the regional headquarters in the Charleston, South Carolina location in order to tap the Southeast market," said Dennis Lambka, CEO of SES. "We expect that SES

Southeast will have growth of 200 percent in the next year."

"The Southeast and particularly the Carolinas, have seen tremendous growth in new business and expansion. That growth leads companies to seek the most efficient and effective ways for managing their human resource needs," said Robert L. Berman, president of SES Southeast. "Low business costs were also key factors for choosing to locate in this region."

SES offers human resource solutions for small and mid-sized businesses. It was founded in 1989 and currently serves more than 22,000 employees.

Economy still strong, but numbers dip

Members of the local National Association of Purchasing Management, surveyed in April by Detroit-based Comerica Bank, revealed a 1.4-point decline from March in overall business conditions for Southeast Michigan's industrial economy.

Comerica Bank's composite index of the local industrial economy, which is based on the survey of purchasing managers, registered 61.4 in April, down from 62.8 in March. The April reading was 6.0 points above year-earlier levels.

"Despite April's slippage from the prior month, the local economy was still performing robustly compared with a year ago," said David L. Littmann, chief economist at Comerica. "Production activity and inventories fell off during April in both the auto and non-auto sectors, but most of this decline was offset by higher new orders and by tightening vendor delivery schedules."

This column highlights promotions, transfers, hirings and other key personnel moves within the Oakland County business community. Send a brief biographical summary - including the towns of residency and employment and a photo, if desired, to: Business Milestones, Observer & Eccentric Newspapers, 805 E. Maple, Birmingham, MI 48009. Our fax number is (248) 644-1314.

Jacqueline Berklhamer of Birmingham has joined LaBrecque, Jackson, Price & Roehl investment advisors in Troy. She is a financial planner and her responsibilities will include assisting in personal financial plans, retirement plans, estate plans and invest-

ments. She was formerly executive director of the American Association of PPAs in Chicago.

Jeanne Heller Bourget of Bloomfield Hills has been elected president of the Detroit Executive Association. She is co-owner and vice president of Manpower of Detroit, Inc. located in Southfield. She succeeds Leo Wanstreet, president of Sonitrol Security in Farmington Hills.

Denise Daly of Farmington Hills has been appointed director of legal services for Childtime Children's Centers headquartered in Farmington Hills. She will be responsible for all corporate legal affairs and will provide general counsel for the company.

BUSINESS MILESTONES

Joseph Emml of Birmingham has been appointed vice president of the Ford global business unit at Siebe Automotive in Southfield. He is responsible for all Ford business with Siebe. He previously worked for Freudenberg-NOK.

Maribeth Farkas has joined Caponigro Public Relation in Southfield as an account coordinator. She previously served as a public relations

assistant at Crittenton Hospital in Rochester.

Suzanne Fitzpatrick of Howell has been appointed manager of information systems at ClaimsPro in Southfield. She manages the internal computer reporting system for the company. She has been with the firm for seven years.

Paul Frahm of West Bloomfield has been appointed construction manager for Childtime Children's Centers headquartered in Farmington Hills. He will handle land development

and new facility construction for the company.

Maureen Giamarra of West Bloomfield has joined Lason, Inc. in Troy as corporate counsel. The company provides integrated information management services for image and data capture, data management and output processing.

Paul Hall has joined Caponigro Public Relation in Southfield as a vice president. He previously worked at Shandwick specializing in environmental affairs and crisis management.

David Helst of Farmington Hills has been promoted to senior vice president and controller at Ross Roy Communications in Bloomfield Hills. He will manage the profit management.

John Howard of Birmingham has been promoted to senior vice president and creative director at Ross Roy Communications in Bloomfield Hills.

Orest Iwazuk of Farmington Hills has been named vice president of engineering for all Teleflex, Inc. North American automotive group business. He moved from director of engineering.