

datebook

THE MANAGEMENT of Occupational Stress: Views from Academic and the Real World will be the topic at the Feb. 19 meeting of the Michigan Association of Industrial-Organizational Psychologists at the Plymouth Hilton Inn. Speakers Terry Beehr of Central Michigan University and Jerry Toomer of Dow Chemical Corp. will outline pros and cons of coping with stress on the job. For reservation, call Mark Lifter at 259-4200.

COMPENSATING key executives and planning corporate growth are among discussion topics at a Feb. 23-24 seminar on Managing the Closely Held Company at the Michigan State University's Management Education Center in Troy. Sponsored by MSU's graduate school, the program covers practical techniques for establishing a board of directors, retirement plans, effective management styles and other skills. One in a series of business oriented programs, the seminar will be followed by others including Improving Negotiating Skills March 23-24 and Effective Outplacement April 6-7. For more details, call Clark DeHaven at 517-353-8711.

THE FEB. 19 meeting of the Western Wayne Chapter of the National Association of Accountants will feature John Barnis, vice president and head of the business and banking analysis department at National Bank of Detroit at 7 p.m. at John Laffrey's Steaks on the Hearth, 24201 W. 7 Mile, Detroit. Members and guests invited. For reservations, call John Ba at 497-4563.

THE AMERICAN Society for Quality Control Greater Detroit Section and the Engineering Society of Detroit Affiliate Council will host the National Engineers' Week Gold Award Wednesday at the Engineering Society of Detroit building, 100Farnsworth in Detroit. Gold Award recipient and speaker is Dr. George Brewer, inventor of electrocoating process. Cocktails start at 6 p.m., dinner at 7 and the program at 8. Reservations required by calling Pat Boly at 832-5400.

STEPHEN Rappaport, vice president in the municipal finance department of Bach Halsey Stuart Shields Inc. will address the Financial Analysts Society of Detroit Inc. noon Wednesday in Room 814 of the Veterans Memorial Building. His talk is on municipal bonds. Reservations required by Monday by calling Ann Simmonds at 225-3046. Cost is \$6 for members and \$7 for guests.

marketplace

TELEPROMPTER CORP., a national cable television company, has opened a metropolitan franchising office at 22000 W. 12 Mile Road in Southfield. Thomas Hammill, area manager of new market development, heads the office. The staff will concentrate on franchising in the tri-county area.

A **FREE** program for unemployed people suffering stress-related problems is available through the cooperative efforts of the Family Service agencies of metropolitan Detroit. Operation FAST is a special Torch Drive service providing small group settings where families meet together for support and understanding and where they can receive

professional help. To join, call Operation FAST at 833-3733.

QUALITY BAKERY Co. of Columbus, Ohio, a division of Lancaster Colony Corp., appointed Sohagian & Partners of Southfield as its advertising agency. Media sources say billings will be around \$700,000 for advertising in the west, midwest and southern states.

ENERGY CONVERSION Devices Inc. of Troy report that a final judgment in its favor was entered recently by an Illinois circuit court rejecting a suit filed by United Nuclear Corp. ECD said the court ruled that

UNC has no rights in technology developed or acquired by ECD after termination of ECD's 1976 agreement with UNC and that the agreement terminated one year later. The court also ruled that ECD does not have to obtain UNC consent or to account in any way to UNC and is free to enter into agreements with third parties relating to ECD's technology.

GOLDFARB Hoff & Co. of Southfield was appointed advertising agency by Home-maker Shops, a leading specialty chain for custom and ready-made draperies and domestics with stores in Michigan, Ohio, Indiana, Pennsylvania and Kentucky.

CASH MANAGEMENT account, a financial service from Merrill Lynch Pierce Fenner & Smith Inc. is now available through the firm's metropolitan offices including Bloomfield Hills, Rochester, Southfield, Plymouth, Fisher Building and the Renaissance Center. The account is primarily a brokerage account for investors to buy and sell securities. It features automatic investment in shares of a money market fund and direct access to the cash redemption value of shares in the fund and to margin loans through the use of bank checks and a VISA card. An investor can participate in the program with a minimum of \$20,000 in securities and/or cash.

How to decide the right deductions

Topics featured in this column will alternate each week between Alexander Grant & Co., Plante & Moran, Price Waterhouse & Co., Laventhol & Horwath and the Michigan Association of Certified Public Accountants. Today's column was prepared by Michael Domulievicz with the Southfield-based Laventhol & Horwath office.

If all your income is reported on W-2 forms, you can file on the short Form 1040A. Dividend and interest income of not more than \$400 each can also be reported on this form.

But if your total income on 1040A exceeds \$20,000, or \$40,000 if married and filing a joint return, you must use the long Form 1040.

The only complications are possibly reporting unemployment compensation checks received and calculating the earned income credit.

You are required to file federal or state unemployment benefits and under certain conditions include them as income. Married persons filing a joint return will not be taxed on the benefits unless their income, including unemployment compensation, exceeds \$25,000.

Single and head of household filers will not be taxed on the benefits unless total income

exceeds \$20,000. If your total income exceeds those levels, one half of each dollar of the excess is included in your income, limited to the actual benefits.

The total amount of unemployment benefits received are entered on Line 20A and the taxable part, if any, is entered on Line 20B.

A worksheet for figuring the taxable portion can be found in the Form 1040 instructions.

MOST TAXPAYERS use the long Form 1040 for a particular purpose. They want to itemize their deductions or report a capital gain or something else that cannot be shown on the short form.

In most instances, the lines on the tax return are keyed to a particular page in the instructions or to a particular IRS form number. If the line applies to you, refer to that part of the instructions.

There are four different tax rate schedules applicable to five different classes of taxpayers.

What counts is your status on Dec. 31. If you were married that day, you are married

tax topics

for tax purposes. If you were divorced on Dec. 31, you are single for tax purposes.

If you are single, you may still have another tax status if you support a dependent child who lives with you. That status is called head of household and has a separate tax rate schedule.

If you are single with a dependent child and your spouse died within the past two years, there is a separate tax status called a surviving widow(er).

If you are married, you have two choices:

• You can file a joint return with your spouse combining the incomes of both. If that totals \$20,000, your joint tax will be \$2,729, or an effective rate of less than 14 percent.

• Or you can file separately, each paying tax on your own income. Assuming you earn \$10,000, you will each pay \$1,367, or a total of \$2,734.

If we assume one spouse earns \$15,000 and the other \$5,000, the picture changes. With separate returns, the big earner will owe \$2,789 and the other spouse only \$347.

But added together they will pay \$3,136 or \$397 more than if they had filed a joint return.

No one is obliged to pay more tax than the law requires. From the numbers in our examples, you can see that it is important to determine your proper filing status.

For a couple living together without benefit of marriage, whether they are married or not is a question of fact to be determined under local law.

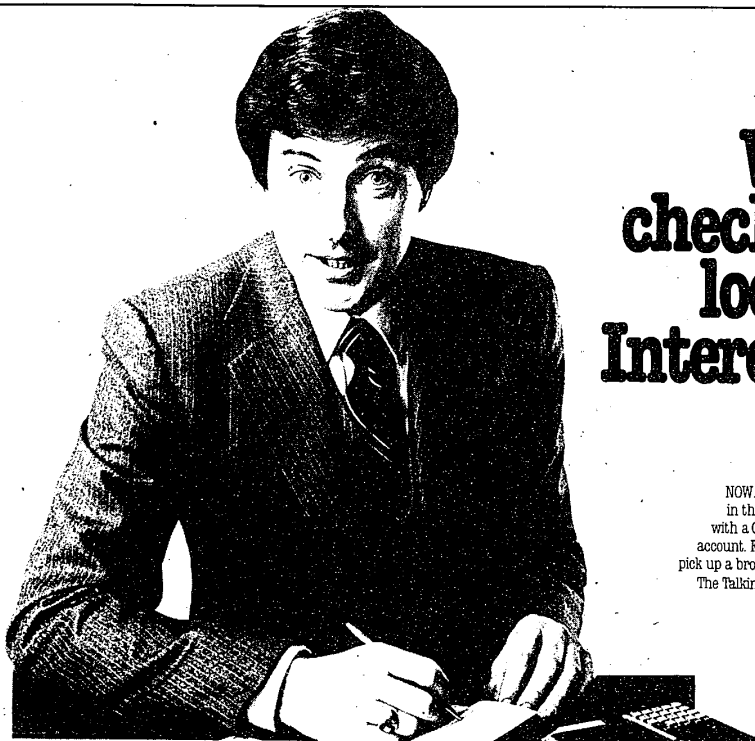
If, in fact, you are not married on Dec. 31, you cannot file a joint return with your companion.

Our income tax is based on progressive rates, which means that a larger percentage of each dollar is taken for tax as taxable income increases.

This progressive tax structure can create some interesting problems. Consider two individuals, each with income of \$20,000. As singles, each will owe tax of \$3,829 or \$7,658 altogether.

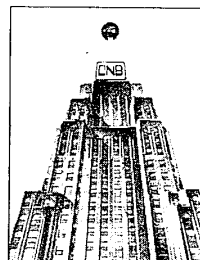
If these same people get married and file a joint tax return reporting joint income of \$40,000, their tax bill will be \$9,355, an increase of \$1,697 just because they got married.

This is sometimes called the marriage penalty. As noted above, filing separate returns does not help. However, legislation has been proposed in Congress to lessen this effect.



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