

business people

**GEORGE BOMBYK** of Farmington Hills has joined the sales staff of Hunters Ridge, a condominium development corporation in Farmington Hills. He is a sales associate for Home Marketing of America-Midwest Inc., a unit of American Inesco.



SHRAUGERC

**MERIDITH SHORE** of Birmingham was named general manager and buyer for Orthogonality in Birmingham.

**C.F. BRENNAN** was named to the newly created post of vice president operations-Western Region for the Cement Division of the Southfield-based National Gypsum Co.

**GIENN KLOSTERHAUS** was named an interior designer/project manager for the Troy-based D.L. Wats Co. He was a designer and specs planner for Chrysler Corp. and Silver.

**GEORGE KENYON** of Bloomfield Hills was named local sales manager for WJBK TV2 in Southfield. He was an account executive.

**DONALD HOWELL** of Birmingham was promoted to vice president automotive sales for the Kue Manufacturing Co. He was automotive sales manager.

**DAVID NIGHBERT** of Birmingham was named senior vice president and general manager-electri-

cal products groups of the Echlin Manufacturing Co. He was vice president and general manager, international division, of Essex Group of United Technologies Division.

**JEROME GRUBE** of Troy was elected vice president of First Federal Savings of Detroit. He is manager of programming in First Federal's Computer Operations Department.

**WILLIAM GROVE** was appointed vice president of personnel for Multi Construction Holdings Inc. of Troy. He has been with the company since early 1979.

**DANIEL HACKETT** was promoted to vice president, associate creative director at W.B. Doner and Co. in Southfield. He was a Doner creative group supervisor.

**GEORGE KOENIGSAECKER** of Birmingham was named director of sales and marketing for the Universal Joint Division of Rockwell International. He was director of business planning and international development for the division.

**JOHN WHITLEDGE** of Bloomfield Hills was appointed vice presi-



HOWELL

GRUBE

dent, trust planning, for Detroit Bank and Trust. He was named a trust officer in 1976.

**JOHN JICKLING** of Birmingham, architect, was elected to a

three-year term on the board of directors of the American Institute of Architects headquartered in Washington, D.C. He is a principal in the architectural firm of Jickling Lyman & Powell Associates of Birmingham.



NIGHBERT KOENIGSAECKER

**WILLIAM ROBERTS**, president of Seed-Roberts Agency Inc. in Birmingham was appointed chairman of the PACER Midwest Region Panel. PACER is an advisory council that includes more than 400 property-casualty agents representing CNA Insurance.

**WALTER RAY** will retire this month after 55 years with Standard Federal Savings of Troy. He was a director of the association for the past 54 years. From accountant to president and chairman of the board and finally chairman of the executive committee, he witnessed Standard Federal grow from less than \$10 million to more than \$3.3 billion in assets.

**WILLIAM BARON** of Troy was appointed vice president of the Samuel G. Keywell Co. Baron, who joined the firm in 1974, is a CPA and formerly with the Detroit office of Coopers & Lybrand.

**LINDA SHRAUGER** has joined the engineering placement firm of Hudson's Personnel Inc. of Birmingham as an associate.

Income splitting benefits

tax topics

Topics featured in this column alternate each week between Alexander Grant & Co., Plante & Moran, Waterhouse & Co., Laventhol & Horwath and the Michigan Association of Certified Public Accountants. Today's column was prepared by Albert Spalding Jr., a personal financial planner with Plante & Moran.

"How can I provide financial assistance to my child or grandchild or elderly parents without paying tax on the money first? There has to be a way?" There is. In fact, there are many legitimate ways to help your loved ones financially without being taxed on the same money first at your higher tax bracket.

This concept, called income splitting, has become an important strategy in today's inflationary tax bracket creep economy. When properly used, the income splitting devices are excellent ways to put lower tax brackets to work, helping to build family wealth or stretch the family expense budget.

And the cost of setting up most income splitting vehicles is usually quite moderate, especially in comparison to the tax savings they provide.

One of the most commonly used income splitting devices is the short-term or Clifford trust. This tactic, which is specifically authorized in the Internal Revenue Code if certain rules are followed, allows family members to enjoy tax savings while providing (or saving for) college education expenses or support of an elderly parent.

HERE IS AN example of how a short-term trust can save you taxes. Let's suppose you and your spouse are in a top tax bracket of 60 percent and you start a qualifying short-term trust for your 8-year-old child who has no income.

You and your spouse transfer \$13,500 of securities, yielding 9 percent, to the trust. Under the terms of the trust, the income from the securities is paid to your child (or the custodial account in your child's name) and taxes at your child's low rate.

The securities will revert to you after 10 years. Result: The net after-tax earnings from the securities will amount to about \$14,500 compared to about \$5,700 if the income had been taxed at your top 60 percent bracket. It's a tax savings of \$8,800. In other words, you have let Uncle Sam contribute \$8,800 to your child's college education.

Like all income splitting devices, the short-term trust has both advantages and disadvantages. One of the disadvantages, in the above example, is that once your child turns 18 you won't legally be able to prevent him or her from spending the money — on education or anything else.

ANOTHER DISADVANTAGE is that

the securities are irrevocably committed to the trust for 10 years.

Barring a financial disaster, you cannot cancel or terminate the trust even if you decide at a later date that you don't like the idea.

There are many other family income splitting devices, including intra-family loans, gift and leaseback of property, private annuities, closely held corporations, intra-family installment sales, family partnerships. Subchapter S corporations, family investment companies, custodial trusts, guardianship, co-signing loans and paying interest and split purchase agreements.

Each has its own set of advantages and drawbacks and each is subject to a different sets of rules.

NOTICE

I-696 FREEWAY FINAL ENVIRONMENTAL IMPACT STATEMENT

The U.S. Department of Transportation has approved the final environmental impact statement (FEIS) for construction of the I-696 Freeway between Lahser Road and I-75 in Oakland County. This approved FEIS has been filed with the U.S. Environmental Protection Agency and copies have been distributed to individuals, organizations, and agencies that made substantive comments on the draft FEIS. Copies of the FEIS are available for public review at the following locations:

- Huntington Woods Public Library  
26415 Scotia Road  
Huntington Woods
- Lathrup Village City Clerk's Office  
27400 Southfield Road  
Lathrup Village
- Pleasant Ridge City Clerk's Office  
23925 Woodward Avenue  
Pleasant Ridge
- Royal Oak Township Clerk's Office  
21075 Wyoming Avenue  
Ferndale
- Oak Park Public Library  
14200 Oak Park Blvd.  
Oak Park
- Royal Oak Public Library  
222 E. Eleven Mile Road  
Royal Oak
- David Stewart Memorial Library  
26000 Evergreen Road  
Southfield
- Southeast Michigan Council of Governments  
810 Book Bldg.  
1249 Washington Blvd.  
Detroit

Michigan Department of Transportation  
District Office  
18101 West Nine Mile Road  
Southfield

Published February 26, 1981

**Greene Bros. & Joanna Western** provide **Natural Sophistication** at 25% Savings

Verticals - 1" wood horizontals  
Decorative Shades - Woven Woods - Shutters and other fine Greene Bros. Products.

We have it all also wallpaper at 25% everyday savings

Old Orchard Shopping Center 15150 W. 7 Mile Rd.  
Maple Rd. at Orchard Lk. Rd. 342-8822  
626-2400 Open  
Open Mon. thru Fri. 10-5 Sat. 10-4 Mon. thru Fri. 8:30 to 5  
Sat. 9 to 3

\*Please note - no freight or handling charges - measure and installation available at additional cost. Expires 2-28-81

Employers Wanted  
**EMPLOYERS SAVE 50%**

- We pay businesses to hire and train people on the job. Why not yours?
- Your business can be reimbursed monthly for 50% of a trainee's wages for up to six months!
- Your present on-the-job training probably qualifies your business for this program. Most jobs do qualify.
- While we maintain and provide you with a selection of qualified job candidates matched to meet your needs, you determine who will be hired.
- Your business may also qualify for additional savings for up to two years by applying for a Targeted Jobs Tax Credit (TJTC).

Call Us Today!  
You may profit tomorrow!  
**Phone 469-6054**  
Ask for Mr. Allen West  
8:30 a.m. - 5 p.m. Monday - Friday

MACOMB COUNTY COMMUNITY SERVICES AGENCY  
11011 Bldg. North 202  
35 North Main St. Grand Blanc, MI 48830

**CUT DOWN MICHIGAN'S UNEMPLOYMENT. CUT OUT THIS COUPON.**

Michigan's unemployment rate is the highest in the country. At Michigan National Corporation Banks, we're trying to do something about it. We believe you should receive a \$500 federal tax credit for the purchase of a 1981 American-built automobile. Let's all help reduce unemployment and get Michigan's economy rolling again. Fill out the coupon and send it to your senator.

To start things rolling, we've lowered our prime interest rate. Again.

While other banks in this area are keeping their prime rate high, at Michigan National we're lowering ours. In fact, at the time of this writing, we have the lowest prime rate in the country. If you like our attitude, make your voice heard. Move your checking and savings accounts to Michigan National.

**DEAR SENATOR RIEGLE:**  
We think you should propose legislation which would allow a \$500 federal tax credit for the purchase of a 1981 American-built automobile.

NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_  
STATE \_\_\_\_\_ ZIP \_\_\_\_\_

SEND TO: SENATOR DON RIEGLE  
1411 Dirksen Office Bldg  
Washington, D.C. 20510

**DEAR SENATOR LEVIN:**  
We think you should propose legislation which would allow a \$500 federal tax credit for the purchase of a 1981 American-built automobile.

NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_  
STATE \_\_\_\_\_ ZIP \_\_\_\_\_

SEND TO: SENATOR CARL LEVIN  
3327 Dirksen Office Bldg  
Washington, D.C. 20510

**GET MICHIGAN'S ECONOMY ROLLING AGAIN.**

**Michigan National Corporation Banks** Members FD.I.C.