Mittra from page B4

Traditional IRA

PROVISION	OLD LAW	TAXPAYER RELIEF ACT
• In General	An individual may make annual deductible IRA contributions up to the lesser of $2,000 or the amount of the individual's compensation if the individual (or his or her spouse) is not an active participant in an employer-sponsored qualified retirement plan.	The individual is "decoupled" from his or her spouse so that the spouse's participation in an employer- sponsored plan does not affect the individual's ability to make deductible contributions to an IRA, as long as the couple's joint income is less than $150,000.
• Income Phaseout Range	If the individual (or his or her spouse) is an active qualified retirement plan participant, the $2,000 limit on deductible contributions is phased out between $40,000 and $50,000 of adjusted gross income for married couples, and between $25,000 and $35,000 of AGI for single individuals.	The income limits for eligibility to make deductible IRA contributions where the individual is an active participant are increased over time, beginning in 1998 until the phase out range reaches $80,000 to $100,000 of adjusted income for married couples (in the year 2007), and $50,000 and $60,000 income for single individuals (in the year 2005). The contribution limit phases out if the individual's spouse is an active participant in a plan and their joint income exceeds $150,000.
• Overall Limit on Deductible Plan Contributions	Deductible contributions made to an IRA are not counted toward the annual limit on total deductible contributions to qualified plans under Section 402(g).	No change from old law.
• Spousal IRAs	The annual limit for each spouse (regardless of whether the spouse has an income) is $2,000, but the couple's aggregate deductible contributions may not exceed the combined compensation of both spouses.	The annual limit for each spouse (regardless of whether the spouse has an income) is $2,000, but the couple's aggregate deductible contributions may not exceed the combined compensation of both spouses plus any contributions to a Roth IRA.
• Waiver of Section 72(t) Penalty	A 10% early withdrawal penalty applies to any distribution taken before the individual reaches age 591/ 2 unless the distribution is on account of death or disability, is made in the form of periodic payments after separation from service, or is made for a "Special Purpose" (e.g., certain medical expenses or unemployment).	Same as old law, but in addition: no withdrawal penalty for distributions for first-time home purchases or higher education expenses, including tuition, fees, books, supplies, and equipment required for attendance at eligible higher educational institutions or certain vocational educational schools.

Source: Putnam Funds

does not, the spouse who does not participate may make a deductible IRA contribution, provided the AGI on the joint return is $150,000 or less.

The amount deductible is phased out with AGI over $150,000, with full phase-out at $160,000.

Example. In 1998 Jane is an active participant in an employer-sponsored retirement plan and Bob is not.

The combined AGI of the couple for the year is $250,000.

In this situation, neither Jane nor Bob is entitled to make deductible contributions to an IRA for the year.

If, in a future year, the situation is the same except that the couple's combined AGI is $120,000, Bob could make deductible IRA contributions of up to $2,000, but a deductible contribution could not be made for Jane.

The accompanying table contrasts the old IRA rules with the new rules.

Next Week: Educational IRA

Tips from page B4

• **Close inactive credit card accounts.**

The more open and unused accounts you have on your credit history, the more credit lenders or creditors will assume you have available to you through the credit lines or limits reported. This may hinder an application for a loan of any kind.

Guard against fraud Tear up or shred any mail that contains personal identity tags such as a Social Security number, account numbers, etc. before discarding it. Watch out for practices such as phone slamming, Internet fraud, and "special deals" or contests. Check the state consumer protection laws so you know about signing contracts, opting out of agreements, and dealing with unscrupulous sales people.

Kurth suggests "above all, discuss your money management plan (or budget) with family members and set up a spending plan for the year to reach your short and long-term goals. Consider your potential monthly income from all sources as well as your fixed and variable expenses, keeping in mind to 'spend to save' and include those semiannual, quarterly, and annual expenses so many families forget to plan for."

A free "Family Money Management System" form is also available from the Education Department at the address and phone number mentioned earlier.

Credit Counseling Centers, Inc. provides budget and credit education, confidential counseling, and debt repayment programs. For more information about the company, call 1-800-547-5005.

Crisis from page B4

• 15 crises that can happen in any business;

• 10 mistakes made most often by businesses when faced with a crisis;

• The 10 outcomes of a mismanaged crisis;

• Four benefits of a well-managed crisis;

• More than 30 examples of crisis situations with "lessons to be learned" for each; and,

• Bulleted answers and advice to more than 100 questions.

"The Crisis Counselor: The Executive's Guide to Avoiding, Managing and Thriving on Crises That Occur in All Businesses" is published by Barker Business Books Inc., in Southfield.

It is available at most major bookstores or can be ordered by calling 1-800247-6553, by visiting the book's Internet website at www.crisiscounselor.com or through www.amazon.com.

It is a 282-page hardcover book with a retail price of $24.95.

Its ISBN is #0-9659606-0-9.

Several book-signing events *will be held with Caponigro at a* number of Michigan bookstores in early 1998.

Jobless from page B4

Jackson and Kalamazoo/Battle Creek areas.

The Upper Peninsula (UP) had the greatest rate increase in December as the region's rate rose by three-tenths of a point to 6.8 percent. The Lansing and Saginaw/Bay/Midland areas reported increases of one-tenth of a point. The Ann Arbor area unemployment rate remained unchanged from November to December at 2.0 percent. Among the major markets, the Ann Arbor area had the lowest rate during the month, while the UP had the highest percentage of unemployment.

Rothwell noted that work force levels slipped in every major area except the Detroit MSA. Employment levels, on the other hand, inched up in three areas – Detroit, Flint and rand Rapids – and edged down in the remaining areas. "Most of the areas experienced job losses in the construction industry, which is typical for December, but these losses were offset, to a degree, by holiday hiring in retail trade and services. The manufacturing sector had only negligible changes during the month," Rothwell explained.

Milestones from page B4

ing the salon's staff, assuring quality control of jewelry and time pieces and managing the continuing operation of the 80-year-old store. He was previously vice president.

Barry Shapiro of Franklin has been elected president of the board of directors of Friends of Camp Make-A-Dream, an organization which raises funds to finance camperships for children with cancer to Camp Make-A-Dream in Montana. Shapiro is principal in the Anderson Group, Inc. in Bloomfield Hills.

Turbiak

Jennifer Turbiak of Livonia has joined Shandwick-Detroit located in Southfield as an account executive. She will handle writing and media relations assignments. She was previously a public relations writer at F & A Communications in Detroit.

Jeff Vanneste of Washington has been named vice president of finance for the Lear Corporation's General Motors division located in Southfield. He will be responsible for the finance and systems activities for Lear's GM division and Latin America operations. He joined lear in 1991.

UNCLAIMED ORDERS

NEW unsold school sewing machines with open arm

The EDUCATION DEPARTMENT of Elna Sewing Machine Company of America ordered these machines in anticipation of large school sales. Due to budget cuts, these machines were unsold. These machines must be sold! All sewing machines offered are the most modern in the line. These heavy duty machines are constructed OF METAL and sew on all fabrics – LEVIS, CANVAS, UPHOLSTERY, NYLON, STRETCH, VINYL, SILK, EVEN SEWS ON LEATHER! These machines are new with a 25-year Factory Warranty.

All this and more, without the need of old fashioned cams or program-mers. All machines come complete with foot control, instruction books and accessory kit.

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4.75% APY

Based on an example balance of $25,000

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*Annual Percentage Yields (APYs) and interest rates are accurate as of 1/14/98 and apply only to new accounts opened with new money. New money is defined as money not currently on deposit with First of America. APYs and interest rates are subject to change without notice after account opening. For Cash Management Checking, the interest rate for the portion of the balance above $5,000 is tied to the weekly average of overnight Federal Funds Rates less not more than 1%, which as of 1/14/98 is 5.41%. The portion of the balance $5,000 and below earns an interest rate determined by the Bank, which as of 1/14/98 is 1.55%. The APY ranges from 1.56% to 5.35% on $100,000. For Superior Performance Fund the interest rate for the portion of the balance that is $100,000 or more will be tied to the 13-Week Treasury Bill weekly auction discount rate, less not more than 1.50%. As of 1/14/98, the interest rate for this tier is set at 5.60%. The APY is 5.75%. The interest rate for the portion of the balance that is $25,000 or more but less than $100,000 is tied to the 13-Week Treasury Bill rate less not more than 1%. As of 1/14/98, the interest rate for this tier is set at 5.08%. The APY ranges from 5.25% to 5.75%. The interest rate for the portion of the balance below $25,000 is tied to the 13-Week Treasury Bill rate less not more than 5%. As of 1/14/98 this interest rate is set at 4.17%. The APY is 4.25%. Fees may reduce earnings on these accounts. Offer is available to individuals only. Member FDIC. Equal Housing Lender. For individuals with a TDD device, service is available from 9 a.m. - 5 p.m., M-F at 1-800-289-4614. © 1998 First of America Bank Corporation.