

# DONNELLY-BOLAND AND ASSOCIATES

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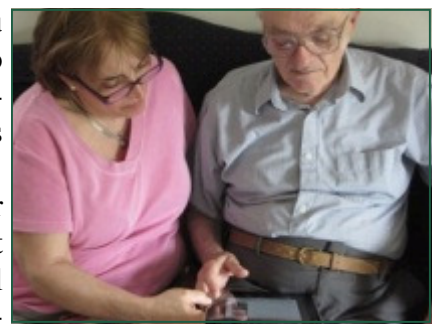
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## Is it time to talk finances with your parents?

One day you may find yourself taking care of an elderly parent who is in declining physical or mental health. This can be stressful, both emotionally and financially. On the financial side, there are steps you may want to take to prepare for this situation.



Talk to your parents about their financial affairs. Parents may be reluctant to discuss their finances, but someone needs to know the names of their lawyer and accountant. Someone needs to know where their important financial papers are located. Chances are that much of the information will be in your parents' heads, or scattered in various places around their house.

Here's a general overview of the topics you might want to cover with your parents.

### Vital statistics

- Where are social security cards kept?
- Where are marriage or divorce records and family birth certificates?
- Where are military service records and pension records?

### Financial records

- Help your parents make a list of their financial assets, bank accounts, investments, etc.
- Review the beneficiaries they have designated and how accounts are titled.
- Do they have a safe deposit box? Record the location and box number.



- Find the name of their accountant and copies of tax returns.

### Physical assets

- Locate mortgage records and the deed to their house and other properties.
- Locate vehicle titles.
- Do they own any assets stored elsewhere?

### Insurance

- Locate records for home, vehicle, health, and life insurance.

### Estate planning

- Do they have a will or living trust?
- What is the name of their attorney?
- Discuss any special wishes for bequests; encourage your parents to put them in writing.
- Have they set up directives for medical care (living wills)?
- Have they set up a Power of Attorney in case they become disabled?



Don't try to find all this information in one exhausting session. Instead, use the list as a starting point for a series of conversations. Wherever possible, involve your parents in putting their own affairs in order. You may find it's a great opportunity to bond with your parents in their golden years.

Our professionals are eager to help with any questions you or your parents may have regarding finances.

**Tax season is upon us. Check out our tax tips at [www.donnelly-boland.com](http://www.donnelly-boland.com)**

## Major tax deadlines for March

Farmers and fishermen who did not make 2010 estimated tax payments should have filed 2010 tax returns and pay taxes in full on March 1.

**March 15** – 2010 calendar-year corporation income tax returns are due.

**March 15** – Deadline for calendar-year corporations to elect S status for 2011.

**March 31** – Deadline for taxpayers who file electronically to file 2010 information returns (such as 1099s) with the IRS.

**March 31** – Deadline for employers who file electronically to send copies of 2010 W-2s to the Social Security Administration.

Call our tax professionals for more information on deadlines.

## IRS changes the April 15 filing deadline

This year the deadline for filing various tax returns normally due on April 15 is being changed to April 18, 2011. The reason? Washington, D.C. is observing its Emancipation Day holiday on Friday, April 15, and though that's not a national holiday, the Treasury Department has extended Tax Day 2011 to Monday, April 18.

The new deadline applies to individual and partnership tax returns, extension requests, and other tax deadlines such as making 2010 IRA and education savings account contributions and making the first 2011 estimated tax payment.

## More options for tax refunds this year

Last year, you could use your tax refund to purchase U.S. Series I Savings Bonds in your name.

This year, there are some new options for purchasing savings bonds with your income tax refund.

You can buy savings bonds for yourself and up to two other individuals. Form 8888 is used to

designate the person or persons in whose name the bonds are to be issued. The savings bonds will then be mailed to those individuals.

Up to \$5,000 in bonds can be purchased in \$50 increments. Also new this year: You may request a paper check for the balance of your refund if you prefer that to direct deposit.

## Filing threshold raised for nonprofit organizations

Tax-exempt organizations are required to file annual reports with the IRS. Those with gross receipts below a certain threshold amount can file an E-postcard rather than a longer version of Form 990.

The IRS has just raised that threshold amount to \$50,000, an increase over the previous filing threshold of \$25,000.

The deadline for nonprofit filings is the 15th day of the fifth month after the organization's year-end. For calendar-year organizations, the filing deadline for 2010 reports is May 16, 2011.



*Michael C. Wilson, CPA, MA,  
Senior Consultant,*

specializes in assessing accounting, financial reporting and internal control processes for clients, and has significant experience with corporate and individual income tax preparation.

His efforts here at Donnelly-Boland and Associates (DBA), include leading a large wholesaler's accounting and financial reporting function through a transition period, while also providing tax planning and compliance services for the company, several affiliated companies and individual shareholders. His experience in both public and private accounting enables him to easily understand a client's needs and to develop an approach that meets those needs.

Mike is also the Branch Manager at our Waynesburg location. As an executive at DBA, he strives to ensure that the firm's clients receive the level of personalized consultative attention they desire. Mike holds a Series 6 securities license and is also licensed to sell life and health insurance.

Before coming to DBA, Mike served as an audit and tax manager with a local CPA office, where his clients included school districts, not-for-profit organizations, construction and employee benefit plans. After a number of years with the international accounting and consulting firm, Deloitte and Touche LLP, Mike spent several years with Highmark Blue Cross Blue Shield and PTC Alliance, where he was involved with financial accounting and reporting and corporate taxation.

## How to find thousands in lost pension money

by Steve Vernon

provided by CBS MoneyWatch.com

My wife and I were hiking with some friends recently, and as often happens now with people our age, we started talking about retirement — more specifically, about whether we'd have enough retirement income to make ends meet. Our friend, Bill, commented that he had two small pensions from prior employers for whom he had worked more than ten years ago, but that he hadn't stayed in touch with them. He wondered if it was worth his time to track them down. Here's how our conversation went after that.

"The pensions are only a few hundred dollars per month — they won't make much difference."

"How much are your pensions exactly?"

"One is about \$200 per month, and the other is about \$150 per month, for a total of \$350 per month."

"How much of your time is it worth to find over \$100,000?"

"Huh?"

"Between you and your wife, one of you will probably live 25 years or more in retirement, and \$350 paid to you each month for 25 years comes to about \$105,000."

Hearing that, Bill was now on fire to find this money, so he spent the time to track them down. One pension wasn't hard to find — he called the HR department of his former employer, and they gave him the phone number and website of the plan administrator. One phone call was all it took to find out exactly how much his pension is worth and how to claim it.

Getting information on the other pension took a little more digging. His former company had gone bankrupt, and its pension plan had been taken over by the Pension Benefit Guaranty Corporation (PBGC), a federal agency that guarantees pensions of bankrupt companies. The agency also maintains information on any pension plan that has been terminated, even if the company is still in business. After contacting the PBGC, Bill found that an annuity had been purchased in his name from an insurance company. Then, just one phone call to the insurance company had Bill hitting paydirt.

Bill's situation was a fairly easy one to resolve; he knew how to contact one of his former employers, and the other employer's plan was in the PBGC's database because it had been terminated. It's more difficult to find lost pensions if

your plan hasn't been terminated in that case, the PBGC can't help you. And if you no longer know how to contact your former employer because the company has moved, or if your former company has been folded into a larger company, you may have a bit of detective work on your hands.

First, remind yourself that it's worth the time to track down your pension remembering Bill's example may just motivate you to pick up the phone or surf the Internet. If you're in this situation, start with the PBGC. They've got a pamphlet, *Finding a Lost Pension*, posted online that offers a number of good tips that can help you get started on your search.

In addition, when you terminated employment with your former employer, your pension should have been reported to the Social Security Administration. When you apply for Social Security benefits or Medicare, the administration is required to tell you about pensions that have been reported to them.

But what if you want to learn about your pension before you apply for Social Security benefits? You can simply write to the Social Security administration and ask for information about your pension.

### Here are a few other things to know about finding missing pensions:

- All of the above information only applies to traditional defined benefit pension plans; they don't apply to 401ks, profit-sharing plans, or any other defined contribution plan. For information on these latter types of plans, you'll need to keep in touch with the plan's administrator or the HR department of your former employer.

- Also, the information here only applies to private employment, not government employment. Hopefully, your former government employer is still in business, although it could be quite a hunt to find the right person who'll be able to give you the information you need.

This story should reinforce the need to organize your retirement planning documents, and the importance of storing and organizing important papers in your retirement inventory.

Bill estimated that it was worth about \$10,000 per hour of his time that he spent tracking down his lost pensions. That's pretty hard to beat!

Most people need to make every dollar count in retirement, so finding pensions that pay even just a few hundred dollars per month is well worth the time you might spend tracking them down. Happy hunting!

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## References, Citations, and Suggested Additional Readings for Material in the December 2010 Newsletter

We thought you would appreciate having references, citations, and additional reading sources on topics in each issue of the *Monthly Newsletter*.

"IRS changes the April 15 filing deadline"

– *PPC Tax Action Bulletin*,  
December 14, 2010; pg 24.

"More options for tax refunds this year"

– *IRS Fact Sheet* (FS-2011-6).

"Filing threshold raised for nonprofit organizations"

– *Rev. Proc. 2011-15*.

"How to find thousands in lost pension money"

– *Yahoo! Finance*,  
January 24, 2011.

**NOTE: A questionnaire is enclosed for you to fill out and bring in with your tax information.**

This newsletter provides business, financial, and tax information to clients and friends of our firm. This general information should not be acted upon without first determining its application to your specific situation. For further details on any article, please contact us at one of our locations:

Baldwin at 412.882.5383, Brentwood at 412.884.4829, Glassport at 412.664.7554 or Waynesburg at 724.627.6491.

# Thanks! We appreciate you!

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