



# DONOVAN SULLIVAN & RYAN

February 2010

A Newsletter for our Clients and Friends



**FROM THE  
PARTNERS  
PEN....**

Dear Clients and Friends,

By now you should have received your tax organizer in the mail. If you did not receive it, please contact Joyce Foley in our office at [jfoley@dsrca.com](mailto:jfoley@dsrca.com). Your cooperation in providing us with your 2009 tax information as soon as possible is greatly appreciated. As your documents come in, please keep them with your organizer and forward to us once you feel you have received everything.

Email is our preferred way of communicating with you during tax season. Please make sure your current email address is noted in your organizer.

Just a reminder, we do not outsource any of our services. All returns are prepared at our offices by our staff.

As always, we at Donovan, Sullivan and Ryan feel privileged to have you as our clients and friends and look forward to working with you this tax season.

Sincerely,



Mike Ryan

## CHECK OUT OUR WEBSITE'S NEW LOOK!

Log on to [www.dsrcpa.com](http://www.dsrcpa.com) for:



- \* Information about our staff and services
- \* Our DS & R monthly newsletter in pdf format - you can view a copy of this newsletter as well as previous months.
- \* A monthly website newsletter that can be emailed to you each month - all you need to do is enter your email address in the white box on our home page then click submit.
- \* Financial guides for changing life events, business and investment strategies and tax strategies for individuals and business owners.
- \* A Tax Center that provides a wide variety of tax information and links such as due dates, refund info, rates, forms and publications, and a records retention guide.
- \* A Financial Calculator that will give you personalized reports and graphs on home mortgages, car loans, college saving, estate planning and retirement to name a few.
- \* A Secure Client Portal that allows us to exchange files with our clients such as tax returns, QuickBooks files, copies of documents and financial statements. You should have received instructions in your tax organizer package on how to add/access information to/from our portal. Many of our clients are already successfully using our portal. It is our goal for all of our clients to use it in the future. Take a few minutes and check it out!



If you are waiting for broker statements needed in order to complete your 2009 tax return, remember that in 2008 Congress changed the deadline from January 31st to February 15th. This year the deadline will be February 16th because February 15th is a holiday. If you find that you have received everything but your broker statements, please forward what you have to us so we can get started on your return. Just be sure to note that you are waiting for broker statements and will forward them to us as soon as you receive them.

***"More than accountants...business advisors"***

## Social Security Updates for 2010

- ◆ The Social Security wage base will remain \$106,800 for 2010, the first time the index has not changed since 1971.
- ◆ The tax rates for FICA and Medicare will remain at 6.2% and 1.45%, respectively.
- ◆ There will not be a cost of living hike for Social Security benefits in 2010.
- ◆ Congress will soon OK a special \$250 payment to benefit recipients for 2010 as a way to help ease the financial stress of rising medical costs.

## REMEMBER THAT RMDs ARE BACK

Tax-deferred savings plans such as traditional IRAs or workplace 401(k)s are great ways to build a retirement nest egg. But the IRS won't wait for its cut of the account earnings forever. Once you turn 70½, tax law demands that you start taking money out of these accounts via required minimum distributions, or RMDs. In 2009, retirees didn't have to worry about RMDs thanks to a one-year waiver granted by Congress which was passed in an effort to allow seniors to potentially recoup losses in their retirement accounts. In 2010, RMDs are back, so make sure you take out the required amount or you could pay a stiff penalty.

## 2010 Tax Deductions for Haiti Relief Can Be Credited on 2009 Returns

A new law allows people who contribute in 2010 to charities providing earthquake relief in Haiti to take a tax deduction for the contribution on their 2009 tax returns instead of their 2010 tax returns. This means they can receive an immediate tax benefit rather than having to wait until they file next year's return.

Only cash contributions made to these charities after January 11, 2010 and before March 1, 2010 are eligible. This includes contributions made by text message, check, credit card or debit card. The contributions must be made specifically for the relief of victims in areas affected by the January 12th earthquake in Haiti. Contributions can be taken on either 2009 or 2010 returns, but not both. In addition, the general rules about tax deductions for charitable donations apply. Only taxpayers who itemize are eligible. A record of the donation must be kept such as a telephone bill for texted donations and a canceled check or letter from the charity showing the name of the charity and the date and the amount of the contribution for cash donations. The contribution must go to a qualified charity.

*Even if it's a little thing, do something for those who need help,  
something for which you get no pay but the privilege of doing it.*

-- Albert Schweitzer



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