

Lifestyle Link... *Your link to a better quality of life*

Spring 2014

Letter From David

Dear Friends,

I hope, as you read this, you are somewhere very warm. This winter has taken its toll on our patience and our comfort. All of us are wishing for warmer weather. But, even though we are miserable now, most of us will forget all about the frigid temperatures once spring has arrived. We tend to forget the ugly times once we feel good about the present. Our memory bank is filled with good times.

As I write this, I cannot help remembering the days and nights fifteen years ago when we labored over the decision to leave downtown Cincinnati and move to West Chester and begin what is now HBK Wealth Management. If any of you have ever jumped into the deep end of the pool, you know what I am talking about. The uncertainty and the risk were real. Not unlike a cold winter's day that is unrelenting, the decision was filled with self-doubt, financial stress, and a potential nightmare of organizational planning. But, as I write this, I realize that just as winter will pass and warmer weather will come, the stress and fear were short-lived.

As we celebrate our fifteenth year, we are more encouraged than ever that we made the right decision. We work with hundreds of great families throughout the greater Cincinnati area and around the country. Our name has changed to reflect the work we do and the people who take the responsibility to do the right thing for clients. We have maintained our belief in independence, our commitment to client service, and our desire to create a life-long relationship with the families we serve. The more we changed over the last fifteen years, the more we have stayed the course with our desire to be good stewards of the trust you have given us.

While we are surviving the final weeks of winter, take some time to check out our new web site, read the bios of those who care, not only about your money, but about you as a friend and a client. Share our story with a friend, or let us send them our newsletter. Thank you for your dedication, faith and trust. Many of you made the journey with us fifteen years ago; to you a special thanks. We are more committed than ever to serving you and your family. Spring is coming; change is in the air; our best days are still ahead. Thank you!

David

HBK
Wealth
Management

Haire ◦ Bohmer ◦ Kilcoyne



Our Office will be Closed....

Friday April 18, 2014
Good Friday

Monday, May 26, 2014
Memorial Day

Friday, July 4, 2014
Independence Day

Could you be subject to the Alternative Minimum Tax (AMT)?

The alternative minimum tax (AMT) was originally created as a fallback tax for wealthy taxpayers who avoided regular taxes by claiming many exemptions and deductibles. Now, however, more individuals are finding themselves subject to the AMT. The mechanics of the AMT are complex. But a general understanding of how the tax works can help you avoid it and even use it to your advantage.

What Triggers the AMT?

The AMT truly functions as an "alternative" tax system. It has its own set of rates and rules for deductions, which are more restrictive than the regular rules. It operates in parallel with the regular income tax system in that if you're already paying at least as much under the "regular" income tax as you would under AMT, you don't have to pay it. But if your regular tax falls below this minimum, you have to make up the difference by paying the alternative minimum tax.

The AMT can be triggered by a number of different variables. Certain circumstances and tax items are likely to trigger the AMT, including the following:

- Your gross income is \$100,000 or higher.
- You have large numbers of personal exemptions.
- You have significant itemized deductions for state and local taxes, home equity loan interest, deductible medical expenses, or other miscellaneous deductions.
- You exercised incentive stock options (ISOs) during the year.
- You had a large capital gain.

You own a business, rental properties, partnership interests, or S corporation stock.

To find out if you are subject to the AMT, fill out the worksheets provided with the instructions to Form 1040 or complete Form 6251, Alternative Minimum Tax -- Individuals.

AMT rates start at 26%, rising to 28% at higher income levels. This compares with regular federal tax rates, which start at 10% and step up to 39.6%. Although the AMT rates may appear to cap out at a lower rate than regular taxes, the AMT calculation allows significantly fewer deductions, making for a potentially bigger bottom-line tax bite.

Unlike regular taxes, you cannot claim exemptions for yourself or other dependents, nor may you claim the standard deduction. You also cannot deduct state and local tax, property tax, and a number of other itemized deductions, including your home-equity loan interest, if the loan proceeds are not used for home improvements. Accordingly, the more exemptions and deductions you normally claim, the more likely it is that you'll have an AMT liability.

Avoiding the AMT

Because large one-time gains and big deductions that trigger the AMT are sometimes controllable, you may be able to avoid or minimize the impact of the AMT by planning ahead. Here are some practical suggestions.

- **Time your capital gains.** You may be able to delay an asset sale until after the end of the year, or spread a gain over a number of years by using an installment sale. If you're looking to liquidate an investment with a long-term gain, you should review your AMT consequences and determine what impact such a sale might have.
- **Time your deductible expenses.** When possible, time payments of state and local taxes, home-equity loan interest (if the loan proceeds are not used for home improvements), and other miscellaneous itemized deductions to fall in years when you won't face the AMT. Since they are not AMT deductible, they will go unused in a year when you pay the AMT. The same holds true for medical deductions, which face stricter deduction rules for the AMT.
- **Look before you exercise.** Exercising ISOs is a red flag for triggering the AMT. The AMT on ISO proceeds can be significant. Because ISO tax issues are complex, you should consult with your tax professional before exercising ISOs.

This communication is not intended to be tax advice and should not be treated as such. Each individual's tax situation is different. You should contact your tax professional to discuss your personal situation.



Please Share the Experience...Don't Keep Us a Secret!

Changes.....

2013 was a year of change for us: our name, our website, our business structure, even our email addresses. Hopefully, you have been able to keep up, but just in case, we'll give you some of the highlights:

- ◆ Haire Bohmer Wealth Management Group is now HBK Wealth Management
- ◆ Our new website reflects our new name: www.hbkwealthmanagement.com, and our new email addresses use the [hbkwealthmanagement.com](http://www.hbkwealthmanagement.com) tag. You can still use our LPL email addresses; those are forwarded through the same system
- ◆ We formed our own Registered Investment Advisor (RIA) and registered with the SEC, allowing us to be more proactive in client portfolios, to be more flexible, more efficient & more economical

For some of you, this is your first time seeing our newsletter, which will now be used firm-wide. This newsletter is prepared in-house in hopes of keeping the content more applicable to you and more timely. The newsletter is written three times each year, and you can find current and archived newsletters on our website, along with weekly market and economic commentaries.

What will not change is our commitment to you, to be your primary and most trusted advisor. Thank You for your continued confidence in us and the work we do.

Do we have your most updated information??

Technology is a wonderful thing, but as you update your phones, tablets and other devices, sometimes things change, including your email address and/or phone number(s). In fact, many of you have terminated your "land lines" in favor of your cell phones. Did you remember to tell us?

The next time you are on the phone with us, please be sure that we have your most updated contact information. Or, drop us an email with all of the pertinent contact information and we will check it against our database.

Also, be sure to include our email addresses (especially the new ones) in your address book. There is little more frustrating than missing emails because they were dropped into your SPAM folder!!



Our Mission

HBK Wealth Management is an independent, service-driven team of professional wealth planners providing clients with a solid and comprehensive plan that enhances their current and future quality of life by defining client objectives, proposing recommendations, and creating lifelong partnerships

Our Beliefs

- ◆ We believe that our client partnerships are the heart of our business.
- ◆ We believe that we must serve the best interests of our clients with honesty, integrity, care and knowledge.
- ◆ We believe that we are more than wealth planners for our clients.
- ◆ We believe that giving is more important than getting.
- ◆ We believe that it is important to listen to our clients.
- ◆ We believe that it is important to develop a high level of trust with clients by anticipating their needs.
- ◆ We believe that caring about our clients is important.

Preventing Identity Theft

Millions of Americans fall victim to identity theft each year -- and their financial losses are in the billions. In 2012, an estimated 16.6 million Americans experienced identity theft, causing losses of \$24.7 billion.¹

What can you do to help reduce your chances of having your identity stolen? The steps below can help you prevent significant losses.

Check your credit reports every year. You have the right to obtain a free copy of your credit report every 12 months from each of the three credit reporting bureaus -- Equifax, Experian, and TransUnion. Check thoroughly to ensure that there aren't any unidentified accounts on your report.

Place a freeze on your credit reports. This can help stop an identity thief from opening a credit card account under your name. You simply contact the three credit bureaus and request a credit freeze. This prevents lenders who don't already have a relationship with you from viewing your credit report. If they can't access your credit report, they won't issue a new account. There is often a fee to request a freeze, depending on your state of residence and whether you've ever been the victim of identity theft in the past.

Monitor your email. You want to be on the lookout for phishing scams, particularly those that appear to come from a credit card company, bank, retailer, or anyone else you do business with. Many of these emails will direct you to a phony website that will ask you to input sensitive data, such as your account numbers, passwords, and Social Security number.

Be careful online. When banking or shopping online, be sure to use websites that protect your financial information with encryption, particularly if you are using a public wireless network via a smartphone. Sites that are encrypted start with "https." The "s" stands for secure. Also be sure to use anti-virus and anti-spyware software.

Traveling the Globe

In March, David Haire will be traveling with Village Life Outreach Project, and its founder (and our friend) Dr. Christopher Lewis, to Tanzania, East Africa.

Village Life's "Brigades" travel to Africa twice a year, treating patients in mobile field clinics and tackling problems such as lack of clean water, the spread of malaria and lack of educational opportunities.

HBK Wealth Management has been a financial supporter of Village Life Outreach for the last few years, but David decided that he wanted to do more, and the only way to do that was to hop on a plane (a few actually) and get his hands dirty.

We look forward to getting first-hand accounts of the good works of Village Life Outreach and sharing some of David's adventures with you later in the year.

Be sure to visit www.villagelifeoutreach.org for more information. The organization is also on Facebook and Twitter for social media followers.



Village Life Outreach is not affiliated with LPL Financial or HBK Wealth Management and is a separate entity.

Are you accepting new clients?

A referral from a client is the greatest compliment we can receive, and your colleagues and family members are always welcome to call us. Please know that all information is treated with strict confidentiality. We will never share your information or theirs.

Our website is a good introduction to who we are, but please call us with any questions or concerns. The initial consultation for a referral from an existing client is always no-cost, no-obligation.

*"Could you be subject to the Alternative Minimum Tax (AMT)?" was prepared by Wealth Management Systems, Inc.;
"Preventing Identity Theft" was prepared by S&P Capital IQ Financial Communications*

**We will be happy to include your friends & family on our mailing list.
Please let us know where to send their copy of *Lifestyle Link*.**

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