

# THE NAVIGATOR

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## HEALTH SAVINGS ACCOUNTS - A WONDERFUL WAY TO REDUCE HEALTH CARE COSTS

### RIISING HEALTHCARE COSTS AND A NEED FOR CHANGE

According to the National Coalition on Health Care, health care spending continues to rise at the fastest rate in our history. In 2004, total national health expenditures rose 7.9 percent – over three times the rate of inflation. U.S. health care spending is expected to increase at similar levels for the next decade reaching \$4 trillion in 2015. In 2005, employer health insurance premiums increased by 9.2 percent. The annual premium for an employer health plan covering a family of four averaged nearly \$11,000. With health care premiums skyrocketing, we present a potential cost saving alternative – Health Savings Accounts.

### WHAT ARE HEALTH SAVINGS ACCOUNTS?

- Health Savings Accounts are tax-sheltered savings similar to IRA's which allow taxpayers to deposit tax deductible dollars into a special account.
- To be eligible for an HSA, an individual must participate in a High Deductible Health Plan (HDHP) which must have a deductible of at least \$1000 for single coverage and \$2000 for family coverage.
- Simply speaking, an HSA allows taxpayers to take money currently spent on high cost low deductible traditional health insurance plans and substitute a low-cost higher deductible policy while depositing the balance into a tax deductible HSA.



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- To be eligible for an HSA, individuals must be a business owner or an employee of a company that offers an HDHP.
- An HSA must be established with a qualified HSA trustee or custodian. No permission or authorization is needed from the Internal Revenue Service.
- Contributions for a taxable year can be made in one or more payments at the convenience of the individual or employer at any time during the year or up until April 15th of the following the year.
- An individual is permitted to receive distributions from an HSA at any time, but the money withdrawn must be used exclusively to pay for qualified medical expenses of the account beneficiary, spouse or dependents.



**For the full version of this article, including a description of how Curchin implemented an HSA, please visit our Web site at [www.curchin.com](http://www.curchin.com) and click on "Resources" then "Articles."**



## FEATURED EMPLOYEE Irene McGeever, CPA



Irene joined Curchin as a staff accountant a little over a year ago. As a mother of two sons, the Monmouth County resident had heard good things about Curchin’s family-like work atmosphere and its commitment to providing a work/life balance. A year later, Irene is pleased with her career progression as well as her ability to meet the challenges of being an active “soccer mom.”

Irene commented, “Curchin has been wonderful in supporting me on a professional and personal level. It is a firm that really puts its people first.” This spring, Irene passed the rigorous CPA exam. When not at work or on the soccer field, Irene travels to Ireland for three weeks every year to visit her extended family.

# NEW JERSEY 2007 BUDGET HIGHLIGHTS

## CORPORATION BUSINESS TAX ACT

Now based on Gross Receipts

NEW JERSEY GROSS RECEIPTS	MINIMUM TAX
Less than \$100,000	\$ 500
Equal to or greater than \$100,000, but less than \$250,000	\$ 750
Equal to or greater than \$250,000, but less than \$500,000	\$1,000
Equal to or greater than \$500,000, but less than \$1,000,000	\$1,500
Equal to or greater than \$1,000,000	\$2,000

The minimum tax for affiliated or controlled groups remains the same, \$2,000 for each member of a group that has a total payroll of \$5,000,000 or more for a privilege period.

### New Jersey Corporation Business Surtax

- 4% surtax in addition to the annual corporation franchise tax.
- For privilege periods ending on or after July 1, 2006 but before July 1, 2009, each taxpayer shall be assessed and must pay a surtax equal to 4% of the amount of tax liability remaining after applying credits against liability, other than credits for installment payments, estimated payments made with a request for extension to file a return, or over payments from a prior privilege period.
- As of this writing, the 50% installment payment on the minimum tax assessment still applies.

# ★ ★ ★ MARK YOUR CALENDARS ★ ★ ★



**September 21, 2006**  
**4:00 p.m. – 7:00 p.m.**

**Curchin's Offices**  
**125 Half Mile Road**  
**Red Bank, New Jersey**  
**732.747.0500**

**Player fee: \$20.00**  
**Mulligan's: \$1.00**  
**Fantasy Golf Scratch Cards: \$5.00**

## **THE FIRST ANNUAL CURCHIN OPEN** **Miniature Golf Tournament for Charity**

This 9 hole tournament is open to both experienced & beginner miniature golfers. We will have a practice putting green, refreshments, prizes, golf give-aways and a scratch-off Fantasy Golf competition. And yes, this event will be held right in our office! We know – its crazy, silly and borderline ridiculous. It is, however, all for two great causes – Monmouth Council Boy Scouts and Michael's Feat.



## **CURCHIN'S ANNUAL TAX ROUND-UP**

Back by popular demand, Curchin will host its Annual Tax Round-up on September 19th from 6:30 – 8:30 p.m. at the Molly Pitcher Inn in Red Bank, NJ. Come hear tips on what you should be doing right now to prepare for the end of this tax year and what 2007 will bring from Uncle Sam.

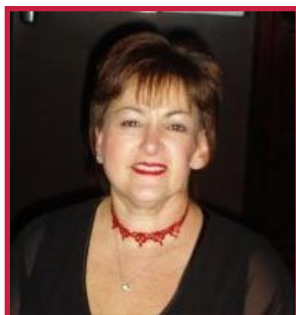


## **CURCHIN NEWS** ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

### **Curchin Partner Pete Pfister Named as one of the EMACC's Spinnaker Award Winners**

Partner Peter Pfister has been named one of the Eastern Monmouth Area Chamber of Commerce's 2006 Spinnaker Award winners under the category of "Volunteer of the Year." Since 1992, The Eastern Monmouth Area Chamber of Commerce has given the Spinnaker Award to individuals, businesses and non-profit organizations for their contributions to the betterment of the eastern Monmouth area. Pfister will receive his award on November 9, 2006 at the Fifteenth Annual Spinnaker Awards Dinner at Branches in West Long Branch, New Jersey.

### **New Additions to our Growing Team**



Annie Wolbrom has been hired as Curchin's Firm Administrator. She will direct and provide all functions of office management, including managing human resources and overseeing the firm's technology plan and internal operations.

**MISSING  
IMAGE**

Curchin welcomes Kimberly Melski, CPA, PSA as a Tax Manager. Melski joins Curchin with over 16 years of experience providing accounting, auditing and tax services to individuals and businesses in a variety of industries, including business services, manufacturing and government.

Geoff Ollwerther of Lincroft, New Jersey is Curchin's 2006 summer intern. Ollwerther is a senior accounting student at The Richard Stockton College in Pomona, New Jersey.

*Interested in Learning How 1031 Like-Kind Exchanges Can Lower Your Tax Burden on Certain Real Estate Transactions? Check out Curchin 1031 Exchange LLC's new Web site at [www.curchin1031.com](http://www.curchin1031.com).*

# CURCHIN

Celebrating over 50 years in Monmouth County, New Jersey, The Curchin Group helps small to mid-sized businesses and individuals reach their financial goals through providing a broad range of Assurance; Tax; Financial Planning; and Business Advisory Services. The firm is dedicated to giving solid financial advice, sustaining long-term relationships with its clients and employees and giving back to the surrounding community. For more information about Curchin, please contact *Bob Fouratt* at **732.747.0500** or **[bfouratt@curchin.com](mailto:bfouratt@curchin.com)**



*In a world of ordinary accounting firms, Curchin dares to be different!*

## **The Curchin Group LLC**

**Assurance Services :: Tax :: Financial Planning :: Business Advisory**

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