

The Forgotten Resolution

By

Robert A. Miller, Esq.

It's the New Year and with it came New Year's resolutions. Each year, we set goals in hopes of bettering our lives, breaking bad habits or fulfilling long-standing wishes. Often overlooked, however, is one of the most important aspects of our lives – legalities. In with the New Year comes not only new vigor, but also new laws. Some laws have minor impact, others have significant importance, but all must be considered when planning for future welfare. The New Year is the prime time to take an "inventory" of our lives to ensure that we are on course to achieve our goals through taking advantage of the laws and to ensure our compliance with them.

We tend to divide "life" into two groupings - our "personal life" and our "business life." At the end of the business day, we attempt to turn off the business and turn on the personal, striving to maintain distance between the two. Although we may hope to leave work at work, we cannot completely segregate business from personal when it comes to legalities. The two are so intricately intertwined that a bump in one may create havoc in the other. If we take a few simple steps, however, we can minimize those bumps and smooth the road that lies before us.

In the personal side of life, we routinely deal with issues pertaining to health, finances, estate planning, family and other areas of concern. From the business side, as employees we struggle with wages, taxation, benefits, working hours and the like. As employers or business owners, our days see no end to addressing issues involving record keeping, payroll and unemployment taxes, employment matters, operations and, unfortunately, ever-increasing burdens placed on business by government. If these items linger too long, they become unmanageable. So now is the time to take note of our lives, to plan for our future and to evaluate how legalities may help or hinder our efforts.

Personally, review your estate planning documents. Have you a Will or a Living Will? Do you need a Power of Attorney or a Healthcare Power of Attorney? How about a Trust? Do you appreciate that the law determines what happens to you and your estate if you have not otherwise provided for inevitable situations. Will the application of that law comport with your wishes and desires?

Financially, have you designated "pay on death" beneficiaries for your bank accounts? Have you evaluated retirement options and the financial benefits, or detriments, from opening retirement accounts? Giving the increasing federal and state debt, it is only matter of time before government will find more events or situations in life to tax. How can you minimize that burden? What steps can you take to ensure that those many years of hard work yield the greatest benefit for your family?

The business perspective presents similar challenges. As employees, reevaluate your federal and state income tax withholding rates. It may seem a benefit to receive a tax refund the following year, but an interest free loan to the government in truth provides no benefit to you. Are your wages compliant with federal and state laws? Are you being paid in a timely manner? Is overtime properly computed? How does the new healthcare law impact your employment? Is your employer obligated to provide benefits not presently provided?

As employers, have you ensured compliance with hiring laws? Have your employees completed their annual renewals of necessary forms? If your company is incorporated, are its minutes and records being maintained properly? Have you held an annual meeting of shareholders and directors? Have proper meeting notices been given? Have elections been held? If not, someone may attempt to “pierce the corporate veil” and seek to hold you personally responsible for a company obligation, a liability that is easily avoided through proper maintenance.

Have you kept abreast of new legal mandates? Do you know how or if the new healthcare laws impact your business? Tax rates change yearly and if you perform your own payroll, have you updated your system to accommodate the new rates? Are you aware of the many business tax deductions and incentives available?

There is a plethora of issues to evaluate on an annual basis to ensure that you have positioned yourself in a way that will facilitate future security, promise and stability. Yet we often take for granted what seems like insignificant concerns. We commonly hear “if it is not broke, then do not fix it.” While this maxim bears some truth, how can ever know if anything is broke unless and until we inform ourselves of the rules that govern our lives and evaluate our lives to determine if we have complied with those rules in a manner that will maximize the return we all desire from this thing called “Life.”

I encourage you to take those steps now and to reap the benefits to which you are entitled.