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Americans are becoming increasingly aware of the potential costs involved in paying for care for themselves or their dependents. Professionals who have worked hard and built up assets over the course of their careers may be particularly concerned that their savings could be depleted in the event of a long-term care event. With the annual cost of a nursing home stay steadily rising, even employees with comfortable incomes and adequate retirement savings may be wondering how they would cover the costs of long-term care for themselves or their family members, should the need arise.

Just as most employers provide health and retirement benefits, growing numbers of companies are offering group long-term care insurance as a benefit. Providing access to long-term care coverage can help to ease concerns among employees about how they will fund future long-term care. Designed appropriately, the addition of long-term care insurance to a company's benefit package can help the business meet its recruitment and retention goals.

Long-term care refers to a variety of services that include medical and non-medical care to individuals with a chronic illness or disability. Most long-term care involves assistance with activities of daily living (ADLs). ADLs include dressing, bathing, eating, transferring, and toileting. An individual is generally considered to be in need of long-term care if he or she has difficulty performing two or more ADLs due to physical limitations, cognitive impairment, or both.

It's common to underestimate the cost of long-term care and overestimate the funding that will be available through public programs and private health insurance. In reality, Medicare—the government health insurance program for people age 65 and over, as well as for those under 65 with certain disabilities and chronic conditions—only covers short-term care. It may also cover some nursing home or assisted living costs, but only for a limited number of days of “skilled care” following a three-day hospital stay. Medigap—private insurance intended to supplement Medicare—also generally does not pay for costs associated with long-term care. Consequently, Medicaid has become the primary source of public funding for long-term care. But, because it is a government program designed to help those in financial need, individuals must “spend down” their personal assets and meet the Federal poverty guidelines before qualifying for assistance.

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Personnel Management Options for Small Businesses

When you dreamed of running your own business, you probably never thought much about ADA, EPPA, USERRA, or COBRA. What do these acronyms stand for? ADA is the Americans with Disabilities Act; EPPA, the Employee Polygraph Protection Act; USERRA, the Uniformed Services Employment and Reemployment Rights Act; and COBRA, the Consolidated Omnibus Budget Reconciliation Act. These are among three dozen or so Federal laws and regulations—in addition to common law, case law, and state and local laws—with which business owners, as employers, must comply.

Compliance with complex personnel-related regulations is just one of the many administrative challenges facing business owners. Payroll taxes, workers compensation, employee benefits, recruitment, hiring, and training are also part of the mix.

Enter the PEO

Consequently, a growing number of entrepreneurs have introduced

their businesses to another acronym: **PEO**, which stands for **Professional Employer Organization**. By serving as an off-site Human Resources department, a PEO may provide welcome relief to the frustration many small business owners experience when administrative issues interfere with their ability to focus on serving customers and growing their business.

A PEO can help level the playing field with larger companies regarding employee benefit plans. By using the combined purchasing power of thousands of employees, a PEO can provide its clients with top-notch benefit packages that are competitive with those offered by Fortune 500 companies. This advantage may be especially useful in attracting and retaining highly skilled employees.

All the Help You Can Get

In addition to administrative relief and improved benefits, a top-of-the-line PEO may provide entrepreneurs with other vital employment resources, such as productivity-based

training courses in time management, communication skills, customer service, team building, and total quality management. The result provides advantages to both *employees*, who value the opportunity to grow professionally, and *businesses*, which benefit from increased productivity.

Perhaps most importantly, a PEO may offer business owners the opportunity to reduce their employment liability exposure. With a PEO, a client company can *transfer* many of its employment liabilities to the PEO, while other liabilities are shared. With those remaining liabilities, the PEO can provide resources such as safety consultants, legal professionals, and Human Resource specialists to help provide the support necessary to further minimize a client company's liability exposure.

A full-service PEO can help small business owners manage an array of administrative concerns and responsibilities efficiently. ■

Tips for Effective Business Email Etiquette

The use of email for business communications to associates, vendors, employees, and/or customers has become a way of life for most business owners. The speed, ease-of-use, and built-in communication trail of email are now second nature to conducting all types of business. However, along with the effortlessness and efficiency that are email hallmarks, there can be a risk of developing an overly casual or less professional tone in your content, compared to more standard forms

of communication, such as letters, memos, mailings, or even phone conversations.

The rapid-fire transmission of the written word back and forth in a cycle of emails naturally lends itself to informal language. But as a professional growing your business, the focus should always be on exhibiting business-appropriate behavior in your verbal and written communications. In countless scenarios throughout the business world, an email has gone out without a last minute once-over, and

something in the message has later been called into question, blemishing the reputation of the organization from which the email originated, and the individual who sent it.

To present a professional demeanor when using email as a primary tool for business transactions, consider establishing some business email etiquette guidelines for yourself and your employees.

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Long-term care insurance can help cover long-term care expenses before an individual becomes eligible for Medicaid. Comprehensive long-term care insurance policies generally cover varying levels of care: skilled care, or round-the-clock care by a registered nurse under a doctor's supervision; intermediate care, or occasional nursing and rehabilitative care under the supervision of medical personnel; and custodial care, or help with personal needs, such as cooking and bathing.

Long-term care insurance provides a daily, set amount of coverage that can be used to pay at-home care, an assisted living facility, or a nursing home. The cost of a policy varies with the daily benefit amount

chosen, the maximum benefit amount, and the elimination period (the number of days for which the insured is responsible for his or her own care before benefits begin). Long-term care insurance policies can be customized to include inflation protection, which helps ensure that policy benefits keep up with the rising cost of health care by increasing the benefit in line with inflation. It is important to note that there may be an additional premium for adding any riders.

While employers may offer long-term care insurance as a voluntary, employee-paid benefit, employees may be more likely to value the benefit when employers also contribute to the policies. In some

cases, employers purchase a "core" long-term care insurance benefit for each employee, giving employees the option of purchasing additional benefits or higher benefit levels. Employers wishing to offer more comprehensive long-term care insurance benefits can minimize the cost of premiums by imposing vesting periods and waiting periods for enrollment. In certain cases, employer contributions to long-term care insurance plans may be tax deductible to the employer and excludable from the employee's income.

Long-term care insurance can be an excellent addition to a company's benefit package, helping employees prepare to cover the costs of future long-term care. ■

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Here are some tips to help ensure a quality control check on your company's outgoing email business communications:

- **Use the subject line.** Often the subject line is left empty (a missed opportunity to grab someone's attention) or contains a misleading headline that may confuse and ultimately annoy the recipient. So, make sure your headline matches the intention of your email.
- **Keep the content brief and to the point.** Avoid writing a long email message that may end up not being read in its entirety due to length or lack of focus. Brevity is key in electronic communications, so stick to one subject, and, remember, less is more.

- **Watch your tone.** Familiarities that you engage in with your family member or friends should not be used in a business email. Always check your message for tone and clarity of meaning before clicking the Send button. What you think is funny may not be seen the same way by the recipient.
- **Spell check your email.** While grammar and spelling standards may have relaxed in the Internet age, rushing off an email chock-full of errors could label you as unprofessional. In addition, your first impression could very well be your last if your written communications are substandard. Be sure to proofread your emails.

- **Use your signature wisely.** After checking your email for clarity, tone, and typos, finish off with an informative rather than a gimmicky signature. Include only your business contact information: your full name, title, company name, address, phone and fax numbers, and company website address.

Although email etiquette is mostly common sense, in a technologically driven culture where business transactions now occur electronically, it's important to be diligent about your brand and company's reputation when communicating by email. ■

Developing a Successful Business Plan

A well-crafted business plan can be a blueprint for success. This multifaceted tool is as important to established business owners looking to grow their companies as it is to budding entrepreneurs.

A business plan defines your business, outlines your goals, and lays a strong foundation for achieving them. A valuable resource for investors and lenders, a strong business plan can help you secure capital for expanding operations. As your business grows, your plan will help you respond to changes in the marketplace and your industry. Let's take a closer look at three essential business plan elements: the executive summary, the business description, and the financial data.

1. Executive Summary. First impressions are everything, and this quick snapshot of your business has the potential to attract or discourage investors. This is your opportunity to effectively summarize your company's history and articulate your mission:

- Briefly explain the employee and management structure.
- Describe your location and facilities.
- Provide relevant financial information.
- Disclose strategic corporate relationships.
- Highlight key accomplishments.

By the end of your executive summary, you want your readers to know about your products and/or services,

understand the demand for your business, and believe in your potential for success.

2. Business Description. After a compelling introduction, it's time to provide details. Here, it is important to accomplish the following:

- Describe your business.
- Identify your business's niche in the marketplace.
- Demonstrate your industry knowledge.

As you know, there must be a market for your products/services, and your business plan can outline how you are going to attract and maintain that market. Ask yourself some basic questions: What are you selling? Who are your clients? Who is your competition? and What makes your firm unique?

In answering these questions, demonstrate the ways in which various components of your business work in concert to accomplish your objectives. For example, how does your location support your business? What experience do you and your management team bring to your operation? What are the specialized skills of your workforce? Remember, your intent is to construct a winning approach and make your readers confident about your business.

3. Financial Data. Here, startups need to project future performance, while established businesses need to detail the historic performance of their

companies, as well as project future earnings. Include three key financial documents: income statement, cash flow statement, and balance sheet.

Lenders in particular may focus on your cash flow statement, which details how money is earned and spent in your business, because poor cash-flow management can sink even profitable businesses. From their perspective of the lenders, accurately projecting cash flow is essential to meeting your financial obligations. Lending aside, effective cash-flow management can benefit your business by helping you maintain liquidity, minimize your credit obligations, and minimize your interest expenses.

The Sky's the Limit

Think of your business plan as a building with many floors, each fulfilling a function. The function of the foundation is to present the information that can make your plan a tool for raising capital.

Additional functions of a well-engineered business plan include helping you manage daily operations, make decisions in line with your ultimate objectives, and stay on track with your plans for growth.

To keep pace with change, review your plan every year and revise it, as needed. If your business plan helps your business adapt to market fluctuations, industry developments, and business advances, the sky's the limit. ■

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