



LAW OFFICES OF PETER J. RUSSO P.C.

ATTORNEYS AT LAW

Employment Law In These Challenging Times...

PA IS AN AT WILL EMPLOYMENT STATE

Many clients call asking about their recent wrongful termination. With the state of the economy, the calls are coming at an alarming rate. Most people know that Pennsylvania is known as an "at will" employment state. Simply put, what that means is *generally* your employer can fire you for any non-discriminatory reason they can think of. I can fire you because you are a Pirates fan while I would rather see the Phillies win. I can fire you because I believe you stole from me even though you have proof that you didn't. The "at will" status seems to provide Pennsylvania employers with some insulation from suit but if you are terminated because of a reason related to your inclusion within a recognized protected class, such as age, sex, ethnicity, being pregnant, disability, you may have a discrimination suit against your employer.

Most of the questions we receive on the issue of separation from employment are ultimately about unemployment compensation. Within the world of unemployment compensation there are two general categories; those employees who quit and those

continued on page 2

INSIDE THIS ISSUE

- 1** Unemployment Compensation
- 1** Do You Have a Loss in Your IRA?
- 3** Credit Repair
- 3** 7 Things to Know About Estate Planning
- 4** Meet Zoey & Our Contact Information

MONEY TALKS....

*By Frank Kelly, EA, ABA, ATA, ATP
Kelly Financial Services, Inc.*

Do You Have a Loss in Your IRA, and is it Deductible?

After the recent dismal performance of the stock market, you may be looking for ways to recoup any market losses you might have. Perhaps you've even read that you can deduct IRA losses. Before you rush to cash out your IRAs, you should understand what's involved.

While investment losses inside IRAs are typically not deductible, in some cases you can take a write-off when you close accounts which you funded with after-tax money.

You could have a deductible loss if you close all your traditional IRAs, and the amount you receive is less than your total nondeductible contributions. Likewise, if you close all your Roth IRAs and the amount you receive is less than your Roth contributions, you might have a deductible loss.

IRA losses are a miscellaneous itemized deduction subject to an income limitation. You can deduct losses only to the extent that your total miscellaneous deductions, including IRA losses, exceed 2% of your income. Before you close your IRAs, it's important to estimate how much of your IRA loss will be limited by the 2% income threshold. Also keep in mind that, depending on

continued on page 3

employees who were fired.

Voluntary Separation or Voluntary Quit.

The burden is on employees who voluntarily quit to show that they had necessitous and compelling reasons to quit. This can be a daunting task because our courts have held that the employee must exhaust all avenues with the employer before tendering their resignation. Many times, employees simply make no effort or limited effort to discuss the issues at hand with their employer. You can be granted benefits for voluntary quitting a job. The key is what you do and how you do it.

Willful Misconduct.

Most willful misconduct cases revolve around the employee breaking a rule or rules as prescribed by the employer. Sometimes willful misconduct can be a violation of the employer's interest and may not be required to be part of an employment manual. For example, an employer will not likely have a written rule that says you are prohibited from punching your supervisors in the head but rest assured if you engage in such conduct you will be fired and likely denied unemployment compensation. The burden of proof in these types of cases rests with the employer. Once again the term "necessitous and compelling" comes into the analysis. If an employee can show "necessitous and compelling" reasons for violating the policy, unemployment benefits may be granted.

The Process.

When an unemployment compensation claim is filed the employee will submit information to the Office of Employment Security (OES) to support their claim. After receiving the employee's information, the OES will send the employer a questionnaire. When the information is received from both sides, a Notice of Determination will be issued either granting or denying benefits. It is important to note that either party may appeal the OES' determination. The reason for appeal can be very vague, in fact "I disagree with the decision" is a sufficient reason for an appeal. If there is an appeal, a Referee will be assigned to hear the matter.

It is crucial to know that the Referee's hearing is your trial. This is likely your one and only opportunity to present witnesses and evidence in support of your position. The Referee's hearing is audio taped so if any further appeal is taken, the appeal body will

simply review the transcript of the Referee's hearing so representation at these matters is crucial. We will help you prepare your witnesses and evidence to **present** the most compelling case for you.

While we have represented hundreds of employees in unemployment cases, we've also represented such notable employers as Victoria's Secret; Blockbuster Video, York Waste Disposal, PA Department of Public Welfare, to name a few.

We can also meet with you to give you specific advice relating to a particular situation where as an employee you are trying to increase your chances of receiving unemployment compensation. Conversely, we can help you as an employer decide when and how to best terminate an employee.

We are glad to address your concerns or your needs in the unemployment compensation field, so please feel free to contact us to arrange a time that we can meet. ☺

MONEY TALKS....

By Frank Kelly, EA, ABA, ATA, ATP

continued from Page 1

how you reinvest the money, you could lose the opportunity to shelter any future earnings from tax.

The rules in this area are complex, and planning is essential to get the best tax results. Contact our office for assistance.

Kelly Financial Services, Inc.

400 Bridge Street, Suite #4

New Cumberland, PA 17070

717.774.7536

717.774.4802 (Fax)

800.367.8299

frankkelly@kellytax.com ☺

Simple Credit Repair for Home Buyers, Refinance, Debt Consolidation. Easy Qualify by Tony Lentini

Qualifying for a mortgage today is tough! A credit score below 580 makes it almost impossible to get a loan. A score below 640 presents challenges as well. Every point counts, so here are a few simple steps to increase your score in a short period of time.

1. Pay down the balance on your credit cards. The closer you are to the limit on a credit card, the more impact it has on your score. If you have a Visa card with a \$1,000 limit and you owe \$992, you have used up 99.2% of your available credit. Pay that down to \$500, and you only owe 50% of the limit. Your scores will improve.
2. Don't close the cards once you pay them down or off. The credit reporting agencies score better when you have available credit that you are not using. Closing a \$5,000 Visa without a balance takes away a huge chunk of available credit. Leaving the account open without a balance shows you have a resource for funds if needed.
3. Don't let your accounts go 30 days late. A payment that is 15 days late may cost you a hefty late fee, but being 30 days late on an account will cost you a ton of points on your credit report. Put a budget together and get your accounts paid before 30 days.
4. If you have no choice but to pay late, pay the largest balances first and work down to the smallest. The bigger the payment, the bigger the impact a late payment of 30 days will cause. A payment 15 days late will likely not harm your credit report.

For more information on how to improve your credit or qualify for a loan visit our website at www.tlmortgagegroup.com or Call me, Tony Lentini, directly at 717-412-1712 ext 101☀

7 THINGS TO KNOW ABOUT ESTATE PLANNING

1. No matter your net worth, it's important to have a basic estate plan in place. Such a plan ensures that your family and financial goals are met after you die.

2. An estate plan has several elements. They include: a will; assignment of power of attorney; and a living will or health-care proxy (medical power of attorney). For some people, a trust may also make sense. When putting together a plan, you must be mindful of both federal and state laws governing estates.

3. Taking inventory of your assets is a good place to start.

Your assets include your investments, retirement savings, insurance policies, and real estate or business interests. Ask yourself three questions: Whom do you want to inherit your assets? Whom do you want handling your financial affairs if you're ever incapacitated? Whom do you want making medical decisions for you if you become unable to make them for yourself?

4. Everybody needs a will.

A will tells the world exactly where you want your assets distributed when you die. It's also the best place to name guardians for your children. Dying without a will - also known as dying "intestate" - can be costly to your heirs and leaves you no say over who gets your assets. Even if you have a trust, you still need a will to take care of any holdings outside of that trust when you die.

5. Trusts aren't just for the wealthy.

Trusts are legal mechanisms that let you put conditions on how and when your assets will be distributed upon your death. They also allow you to reduce your estate and gift taxes and to distribute assets to your heirs without the cost, delay and publicity of probate court, which administers wills. Some also offer greater protection of your assets from creditors and lawsuits.

6. Discussing your estate plans with your heirs may prevent disputes or confusion.

Inheritance can be a loaded issue. By being clear about your intentions, you help dispel potential conflicts after you're gone.

7. You may leave an unlimited amount of money to your spouse tax-free, but this isn't always the best tactic.

By leaving all your assets to your spouse, you don't use your estate tax exemption and instead increase your surviving spouse's taxable estate. That means your children are likely to pay more in estate taxes if your spouse leaves them the money when he or she dies. Plus, it defers the tough decisions about the distribution of your assets until your spouse's death. ☀

Dear Valued Client,

It is a pleasure to service your legal needs. We are here to help you and provide you with legal services with a personal touch. We hope you find this newsletter helpful and we look forward to continuing our relationship with you!

**Sincerely
Pete, Liz, Ashley & Amber**

OUR PRACTICE AREAS

Family Law

Divorce - Custody - Support - Adoption
Property Agreements
Name Changes - Visitation - PFA
Collaborative Law

Business Law

Business Startup - Business Litigation - Contract
Disputes - Business Startup
LLCs - S Corps - Contract Review & Negotiation
Business Purchase or Sale

Real Estate Matters

Buying or Selling - Residential or Commercial
Title Insurance
Agreement of Sale - Post Settlement Problems

Wills & Estates

Wills - Power of Attorney - Living Will
Probate - Trusts

Employment Law

Workers' Compensation
Unemployment Compensation
HIPPA - Discrimination - Sexual Harassment
PHRC - EEOC - Employment Agreements
Employee Handbooks

Meet Our Newest Addition

Ben and Liz Saylor are proud to announce the birth of their child, Zoey Victoria Saylor. Zoey was born at 12:52 pm on July 17, 2009 weighing 8 lbs 3 oz and is 20 inches long. Mom and baby are doing well.



Contact Information

Amber – Extension 105

asouthard@pjrlaw.com

Ashley – Extension 103

asipe@pjrlaw.com

Liz – Extension 104

lsaylor@pjrlaw.com

Pete – Extension 102

prusso@pjrlaw.com