



## Ann Fagelson Government Seminars, Inc MONTHLY NEWSLETTER

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January, 2012

A Word on Taxes

HAPPY NEW YEAR, EVERYONE!

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Greetings!

Welcome to the Ann Fagelson Government Seminars. Here is your "**free**" monthly Newsletter. We write for Federal employees, who have enrolled for this Newsletter and the timely information we provide.

The Newsletter will address questions raised by students, who have attended our classes. We pride ourselves on cutting through the bureaucratic language and translating it into understandable English. Please tell your friends about us, and our open classes, which are listed below.

Thanks,

*Ann Fagelson*

**Ann**

Ann Fagelson Government Seminars, Inc.

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### I. Tax Law for Homeowners

Just to clarify: We are not tax experts. But, we do have some information on the subject of taxes as, it applies to your home.

If you own your home and have been faced with the potential of a large tax hit from selling it, you will love the new tax law, which has been in effect for several years. Let's hope politicians do not change it. Unlike most of the complicated grab being put together in Washington, the provisions dealing with the sale of personal residences promises to achieve both simplification and tax savings.

### II. Here is what you can expect

#### Capital Gains Tax

No capital gains tax. The \$250,000 in gains, or \$500,000 if filing jointly, will be exempt from tax. Just be sure to live in the home for two out of the previous five

years and keep your profits under the new "caps".

#### No more rollovers

Up until now, homeowners would sell at a profit and then buy a new home of equal or greater value in order to avoid a gain. All of those rules are going to disappear on future purchases. The only losers in this will be those who have built up greater than \$500,000 in gains and decide to move.

#### III. Senior discount is history

No more waiting until you are 55 years old. The senior discount is history. If you are one of those, who in the past have taken the one-time \$125,000 exemption, it will not stop you from using the new rules from here on out.

#### Buy and sell every two years

No more once-in-a-lifetime elections. You can buy and sell every two years and avoid tax on the capital gain each time. The new law is written to be retroactive to sales after May 6, 1997. As anticipated, the proposal to allow a capital loss deduction, if you lose money on your home, was abandoned. That is too bad the way the economy and the down housing market is today.

What can we expect from all of this?

First, it will free many trapped homeowners. Trading up has been encouraged by existing tax law, but it has resulted in many people buying and keeping home that are more valuable than they need. For these people, tax considerations from a home sale have decided where they live. Even if you are mortgaged to the hilt a sale will not result in a taxable gain in most cases.

#### No more tracking the tax basis

Second, it will eliminate much of the confusion and paperwork of tracking the "tax basis" of homes. Under present rules, the gain from one home is rolled into the basis of the next home. Mix in the improvements from the time you first bought and the computation can be very burdensome.

#### Large scale tax simplification

Third, forget large-scale tax simplification. With this extra benefit and all the other "goodies" that Congress had spread around, whole new armies of voters have a stake in keeping our convoluted tax structure in place.

***Dan and I want to wish all of you a wonderful holiday and a fantastic 2012. It is always remarkable to me how very fast the years fly by. Just keep doing what you love to do, challenge yourselves and live life to the fullest everyday. It goes fast!***

***Ann***

***Please*** no questions about this article. We discuss everything about your retirement, with great detail, in our classes.

## Next Month: Voluntary Contributions (CSRS only)

Secrets to a long, happy life:

**Be conscientious.** An 80-year study found one of the best predictors of long life is a conscientious personality. Researchers measured such attributes as attention to detail and persistence. They found that conscientious people do more things to protect their health and they tend to make choices that lead to stronger relationships and better careers.

**Be friendly.** Friends not only contribute to happiness, they also encourage good health. People with strong friendships are less likely than others to get colds, perhaps because they have lower stress levels.

**Be forgiving.** This one is very important and sometimes hard to do. Letting go of grudges has surprising physical health benefits. Chronic anger has been linked to decreased lung function, heart disease, stroke and other ailments. Forgiveness, on the other hand, can reduce anxiety, lower your blood pressure and help you to breathe more easily.

**Be calm.** Stress can be deadly. The body responds to stress by releasing stress hormones. These hormones make blood pressure, heart rate and blood sugar levels go up.

Taken from WebMD

Below we have program dates and cities listed for 2012

***Register Early and avoid cancelations***

Some of our up-coming classes:

CSRS, February 7-9, 2012, Sacramento

FERS, March 12-14, 2012, Las Vegas

FERS, March 20-22, 2012, Sacramento

All of our Open classes are listed below

New Courses:

We have added additional cities to our

**2012** schedule:

We will present a class for you on site in any State OR in any Country. Just invite us! Save on employee travel.

Register on-line: [www.governmentseminars.com](http://www.governmentseminars.com)

Call us: [\(619\) 697-1334](tel:6196971334) to register.

Fax: [\(619\) 469-8665](tel:6194698665)

We take the Government Credit card or your agency's authorized method of payment.

Our Promise to You

We will not sell your e-mail address or share it with anyone. We have a strict "no selling policy" for all of our classes.

"We are a woman-owned small business"

## Register Early!

### No Selling

We have been told that other seminars companies and Federal Newsletters do point out "the good deals". We choose not to for several reasons. The most important reason is that our background and resources are in Federal retirement benefits. We are not life insurance, health insurance or mutual fund representatives, and we refuse to take referral fees of any kind. We, too, have noticed what appear to be recommendations in Federal e-mail and hard copy publications on all of these issues. In many cases, they even give you an application or an 800 number in the publication or website. We have been told that fees are paid and, in fact, the article was written by the offering party. BE CAREFUL!! Do your homework.

If you have taken a Pre-Retirement Planning Course through Ann Fagelson Government Seminars, Inc., we allow free follow-up questions, which may have gone unanswered during the class.

### Only for Students

This offer is only for those who have attended our classes, not for relatives, friends or colleagues. Student must have their current book in front of them when calling.

Thank you for your interest in our Newsletter and our programs. Please spread the word about our company and have your friends join the mailing list through our website for their "free" subscription.

### Register Early and Avoid Cancellations

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Our Fiscal Year 2012 course schedule, open dates, agenda details and costs are now online at:  
[www.governmentseminars.com](http://www.governmentseminars.com).

### Questions?

We do not accept phone calls regarding specific information generated from this free Newsletter. Details of all topics raised in our articles are fully discussed within our retirement planning seminars. For complete details about our programs and registration information, please click on [www.governmentseminars.com](http://www.governmentseminars.com).

2012 Programs Dates and Cities (Pre-Retirement Planning)

COURSES:

FERS Understanding Your Benefits

2-days

(For Newly Hired & Mid-Career Employees, Includes LE/FF)

Call us for an on-site class.

### CSRS Understanding Your Benefits

3-days (All Classes Include LE/FF)

2012

February 7-9, 2012, Sacramento (Note date change)

May 15-17, 2012, San Diego

August 20-22, 2012, Portland, OR

(Look to our 4-day classes which include CSRS.)

### FERS Understanding Your Benefits

3-Days (All Classes Include LE/FF)

2012

January 25-27, 2012, Charleston, SC (Cancelled, see June date.)

February 22-24, 2012, Albuquerque, NM

March 12-14, 2012, Las Vegas, NV

March 20-22, 2012, Sacramento, CA

April 3-5, 2012, Chicago, IL

April 25-27, 2012, Santa Barbara

May 7-9, 2012, Anchorage, AK

May 22-24, 2012, Boise, ID

June 5-7, 2012, Washington, DC

June 19-21, 2012, Charleston, SC

July 16-18, 2012, Reno, NV

August 1-3, 2012, San Diego

August 15-17, 2012, Portland, OR

September 10-12, 2012, Bethesda, MD

### CSRS & FERS Understanding Your Benefits

4-Days (All Classes Include LE/FF)

2012

April 10-13, 2012, San Diego

April 16-19, 2012, Reno (LE/FF, MRT)

September 24-27, 2012, San Diego

### Thrift Savings Plan and Social Security

1-Day

2012

By Agency Request Only

Costs:

1-Day Classes \$250 per employee

2-Day Classes \$400 per employee

3-Day Classes \$500 per employee

4-Day Classes \$650 per employee

Cost includes employee's spouse at no charge. Guest spouse must share all materials with their employee spouse.

Over 30 employees?

Ask about our group discounts for agency sponsored programs for 30 or more employees at the agency's site or in our open classes.

Contact us: [\(619\) 697-1334](tel:6196971334)

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TRAVEL RESTRICTIONS:

Some agencies are experiencing travel restrictions. If you are in a city with several federal agencies, why not have us do the traveling and planning for you. Let us know your city, and we will do the rest. Just call or e-mail us.

Best to you all,

***Ann***