

BUSINESS

Changing jobs? Don't forget about your 401K plan

Special to Sentinel-Voice

Changing jobs can be stressful. You have to get used to new responsibilities and new surroundings. One of the last things on your mind is what to do with your 401K plan from your previous employer. But improper handling of your 401K distribution can be a costly mistake.

You generally have two options for handling your 401K funds once you switch jobs:

- You may continue to defer paying taxes on the money by rolling over all or part of it (not all plans allow for partial rollovers) directly into a traditional individual retirement account or qualified plan;

- You may take possession

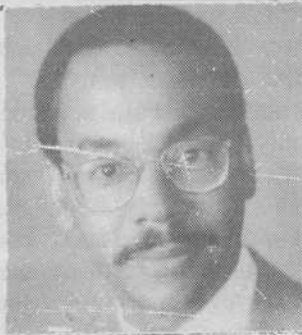
of all or part of your account balance. You will pay federal taxes and state taxes, if applicable, and perhaps a 10 percent penalty tax on the amount you don't rollover. (The plan could have restrictions on the frequency that distributions can be made).

A rollover occurs when you distribute the funds from your 401K retirement plan, tax-sheltered annuity of IRA and deposit the proceeds into another qualified plan or IRA. The amount "rolled over" is not included in your gross taxable income for the current year and does not increase your tax liability for that year.

With a direct rollover transfer, your employer sends the amount of your 401K account balance directly to

Financial Report

By Fred T. Snyder



your choice of financial institution or other plan custodian, such as your new employer's retirement plan. (The new employer plan must allow for rollover contributions). Your employer is not required to withhold any federal income taxes with this option.

If you choose an indirect rollover, your employer pays your 401K account money

directly to you. You then have 60 days to deposit all or part of these assets in your traditional IRA to continue the benefits of tax deferral. If your employer pays your retirement account balance directly to you, your employer is required by law to withhold 20 percent of your distribution for federal income taxes. The intent of the law is to encourage you

not to keep your account assets, but rather to roll over the funds into a retirement account to keep them working for your retirement.

The 20 percent withholding works like this: Let's assume your 401K plan balance is \$100,000; if you choose to receive that money, rather than having it directly rolled over, your employer must withhold \$20,000 (20 percent of \$100,000) and distribute the remaining \$80,000 to you.

You would still have 60 days to rollover the funds to continue deferring taxes, but to complete a full rollover, you would have to deposit the original amount of \$100,000 since only \$80,000 was paid to you. You would have to come up with \$20,000

more from other funds.

If you don't deposit the entire \$100,000, the \$20,000 that was withheld will be taxed. If you can't afford to replace the \$20,000 with other funds, you won't owe any additional tax on the distribution. In the meantime, you've temporarily lost the use of the replacement funds. Keep in mind that withdrawals before 59-1/2 may be subject to a 10 percent IRS penalty.

And remember, when you switch jobs, if you do now want to be limited by the investments offered in your new employer's plan, you can always rollover your previous retirement funds into a traditional IRA. Your financial consultant can help you determine the best plan.

Beware of agencies offering to repair damaged credit

Special to Sentinel-Voice

If you have experienced credit problems in the past and want to fix it, it does not have to be a deterrent for years to come. Start immediately to build and maintain a good credit history, something that remains important.

The way to solve your problem is by starting with money management. This means income vs. expenses.

Once you have determined what funds you have available, you should contact your creditors and arrange some type of a repayment plan with them. If your problems are such that you don't feel you can manage this on your own, seek credit counseling from a reputable credit counseling agency.

You may also want to request a credit report, most agencies will provide a free report once a year. Make arrangements to pay off all collection accounts, judgments and repossessions that are present. If you feel the report is inaccurate, you have the right to dispute the accuracy or completeness of any

Real Estate Perspective

By Loretta Arrington
Licensed Real Estate Broker



information in your credit report. If you dispute any information, the credit reporting agency that prepared the report must investigate free of charge and notify you of the results. Once you have made arrangements to correct any negative credit information, the following tips will help you establish a history of good credit habits: Make payments on or before the due date; Don't make a habit of using the grace period; Get the creditors consent to pay less than the full

amount or to skip a payment; Follow up with a letter detailing the conversation and agreement and make sure it will not show up on your credit as a late payment; Make sure your utilities and rent are paid on time; If you are rejected for credit find out why and write a letter to explain any negative credit and ask for a reevaluation.

While there is no overnight fix for bad credit, with hard work and perseverance on your part, you can begin to rebuild and maintain a good credit history for the future.

As always, please contact a Licensed Real Estate Professional for all your Real estate needs or write to me c/o Real Estate Perspective, Las Vegas Sentinel-Voice Newspaper, 900 East Charleston Blvd., Las Vegas, Nevada 89104 or E-Mail me at griot@vegas.infi.net.

Loretta Arrington, Owner/Broker, Arrington & Associates Real Estate Company and a Member of the National Association of Realtors.

Black Entertainment Television on verge of 20 years of programming

Todd Burroughs

Special to Sentinel-Voice

Next year African Americans will celebrate 20 years of Black Entertainment Television (BET).

It's been two decades since Robert Johnson began to replace Ebony/Jet founder John H. Johnson (no relation) at the top of Black media.

"We believe there's something very important in being a voice that's different," the BET's founder told an audience at the National Association of

Black Journalists' convention two summers ago.

While BET's origin is different — it is the first network owned and operated by African Americans — its programming has been criticized for not being different enough.

Videos, videos, videos, old (and bad!) Black sitcoms, infomercials, "Teen Summit," "Lead Story" and "BET Tonight" make up the majority of the network's lineup.

When questioned about

"We believe there's something very important in being a voice that's different."

— Robert Johnson

shows, Johnson is quick to respond his infamous disclaimer: "The 'E' in BET doesn't stand for education; it stands for entertainment.

That's obvious. But, what is also glaringly apparent is if Johnson hadn't done what he did, we would still be without a network today.

I remember the summer of 1995, when I made an ill-fated effort to put out a newspaper for organizers of the Million Man March. A great part of my summer was spent at the MMM's headquarters in D.C., and at one point, we were given boxes of mail that had come

in seeking information about the March. The boxes I checked out were from brothers in prison, who were writing to give encouragement to the March and to ask for instructions on what to do on that first "Day of Atonement."

Eight out of the 10 letters I read from those incarcerated mentioned they had heard about the March by watching "Our Voices," a now-defunct BET talk show hosted by Bev Smith. The guests were Nation of Islam leader Louis

Farrakhan and activist-scholar Cornel West.

Maybe the problem with BET is that the "E" has to simultaneously stand for too many contradictory things. I would like it to stand for what the network does on its good days: Earnestness to serve its people in all of its needs.

Todd Burroughs, a ph.D., candidate in the College of Journalism at the University of Maryland, College Park, is researching a journalistic biography on Death Row journalist Mumia Abu-Jamal.

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