



June 2019 Newsletter

Ever think of retiring early? F.I.R.E. may be right for you!

Source: playingwithfire.co, mrmoneymustache.com and other sources

In case you haven't heard about it, there is a new and growing movement, especially popular among millennials. It's called FIRE which is an acronym for Financial Independence Retire Early. According to its proponents, many people that practice FIRE principles are able to retire decades earlier than the usual 65 years of age.

How are they able to do that? They use a simple (although not easy) formula of high savings rates (as high as 50-70% of their pay), plus frugal living plus low cost index fund investing. If you can save enough of your income quickly enough, you should be able to live off the earnings. FIRE proponents say that many of them are able to reach financial independence in around 10 years.

One FIRE practitioner, "Mr. Money Mustache," considered the leader of the movement, publishes a blog that describes how he and his wife were able to retire at 30 years of age. He describes his tactics on his blog and he has introduced many people to the FIRE movement. Go to mrmoneymustache.com to read his blog.

Generally speaking, there are 11 steps to retiring early.

- (1) Determine how much you'll spend in retirement. Rather than start with the age you want to retire, start with how much you will need to live on. You can base it on what you spend today, less any costs associated with your employment;
- (2) Plan for health care expenses. If you retire early, you'll need to be able to afford to pay for your health care, because you'll no longer have company-

provided health insurance, and you'll be too young to be eligible for Medicare;

- (3) Calculate your withdrawal rate. Financial planners say as a rule, you can take out 4% each year from a balanced stock and bond portfolio and it should last 30 years. FIRE followers usually use a lower withdrawal rate, because their money may need to last longer, and include the cost of their health care. (See FIRE pg 2)



We have a new receptionist! Farrah Greenwood is now our front office receptionist. In the past she has worked in property and leasing management. Welcome Farrah! We're glad you are here!

Quotes:

A successful man is one who makes more money than his wife can spend. A successful woman is one who can find such a man.
—Lana Turner

Go to Heaven for the climate, Hell for the company.
—Mark Twain

Do not take life too seriously. You will never get out of it alive.
—Elbert Hubbard

Our law firm is a federally designated Debt Relief Agency under the United States Bankruptcy Laws. We help people find answers to their debt problems, including when necessary, helping them file bankruptcy under the United States Bankruptcy Code.



Rhode Island Businessman Gets Creative in Trying to Evade Taxes

At first claiming that he was, “Not a citizen of the United States” and that his earnings were not taxable, Billie Schofield from Scituate, R.I., pled guilty in Federal Court to tax evasion.

Failing to file legitimate tax returns for ten years, Schofield told the court the various steps he took to avoid paying federal income taxes, including: creating and submitting fraudulent checks in the amounts of \$60,000 and

\$49,000 to the IRS to settle back taxes; instructing a corporation in which he held a minor partnership interest not to pay him; intercepting and concealing levies from businesses that owed him compensation and repeatedly mailing false documents to the IRS.

In addition, Schofield created a false company called, Sundown Services, which allegedly was based in Alaska. For years, he would have income payments for services rendered made payable to a bank account opened by his girlfriend in the name of Sundown Services, where she would deposit the checks.

For the years 2005 through 2009, it was determined by the IRS that Schofield’s taxes due and owing were \$201,310. Income he earned in 2010 through 2016 from his business partnerships, commissions from a Canadian fishing company and proceeds from the cultivation and sale of marijuana totaled \$781,481, and his income tax owing for that period was \$227,435, for a combined assessment of \$428,745.

Sentencing is scheduled for September, 13, 2019, where Schofield could face up to five years in prison, restitution, monetary fines and a period of supervised release.

Please note: our law firm represents people that owe delinquent income taxes, but we do not represent so-called “tax protesters.” All the legal arguments that they come up with that they don’t have to file tax returns or pay taxes have been debunked by the courts. ■

FIRE, from 1st page

- (4) Save like your life depends on it. Most people should save at least 10-15% of their income for retirement. Forget that if you want to retire early. Save 50% or more of your income.
- (5) Live frugally. Live as cheaply as possible, and save as much money as possible in every way.
- (6) Hold taxes and fees down. Be smart about taxes, save in retirement plans when possible and be tax-wise when cashing out your investments in retirement.
- (7) Make more money. Having a side job or small business can help you build your portfolio, and give you something to do in retirement, helping you to retire even earlier.
- (8) Invest to grow your portfolio. FIRE spokesmen say to use low-cost index funds, dividend investing or rental real estate. Your money must be invested to generate the returns needed to replace your paycheck.
- (9) Think about how you’ll spend your time in retirement. Many people don’t plan for how they will

spend their time in retirement, and are not as happy as they should be.

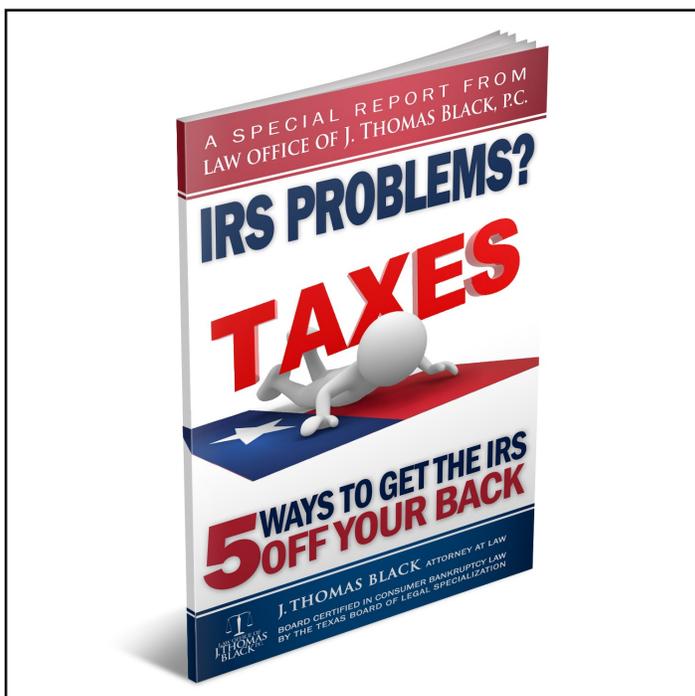
- (10) Create a written plan. It helps motivate you and makes you more confident. The plan should include your anticipated expenses in retirement, your withdrawal rate and retirement savings goal. Not sure how much you need to save? There are FIRE retirement calculators online like the one at playingwithfire.co/retirementcalculator.
- (11) Choose your retirement year carefully. Try not to retire in a year that your investments take a dive. The stock market goes up and down, but if you retire right before a bear market, you may have to take out more than your target withdrawal rate, which can have a long-term negative impact on your portfolio. If that happens it may be best to delay your retirement 2-3 years until the market recovers, at least if most of your investments are in the stock market.

So are you FIRE’d up? Are you ready to retire years, maybe decades earlier than you expected? Whether you are or not, following even a few of these suggestions is likely to improve your financial life and give you a more secure retirement when you do retire. ■

Succeed as an introvert at work

You don't have to be outgoing to get ahead in your career. Introverts can excel and advance, too. Just follow this advice from the Quiet Revolution website:

- **Smile.** Give everyone you meet a warm, sincere smile. You'll impress people with your positive attitude. Plus, smiling can elevate your mood.



Do you owe many years of delinquent income or payroll taxes and finally need a fresh start? Mr. Black has handled I.R.S. tax resolution cases for over 30 years. Call the office for an appointment or request Mr. Black's free Special Report "I.R.S. Problems? 5 Ways to Get the I.R.S. Off Your Back." Get your free copy instantly at jthomasblack.com or pick one up at our Houston office.

- **Walk proud.** Pay attention to your posture, eye contact, and body language. Holding yourself properly displays an air of confidence that people will trust. It will also build your self-respect.

- **Speak correctly.** Train yourself to speak clearly and confidently. Eliminate hesitations, awkward pauses, and verbal tics like "ahh" and "umm." Joining an organization like Toastmasters can improve your communication skills along with your confidence.

- **Be sociable.** Take the time to chat with your co-workers. Over time, you'll be more comfortable interacting with others, and people will get to know who you really are.
- **Cultivate flexibility.** You'll have to adapt to other people's styles and preferences to get along. That doesn't mean faking it, but you'll do better in your career if you work well with others instead of hiding inside your shell. ■

Disconnecting may not lead to the benefits you're looking for

Ever feel the need to disconnect from your devices for a "digital detox"? The Yahoo Finance website reported on a survey by Mojo Vision (Saratoga, California), which found that people tend to use technology as much, if not more, after distancing themselves from their smartphones and tablets for a while.

The survey of 1,000 Americans found that 67 percent agree that technology makes life easier, but 55 percent believe that all that tech is a distraction, with one-third worrying that it hurts people's ability to connect with one another. Still, 54 percent said that abstaining from their devices didn't produce the positive benefits they'd hoped for—or at least were unsure whether it had a beneficial impact.

The most common strategies for "subtracting" tech are setting devices to send fewer notifications, putting them on a "Do Not Disturb" setting, scheduling times to not use their devices, or simply turning them off for a period of time. ■

Thank you for your referrals!

We accept referred cases in the following areas-

Chapters 7 & 13 Bankruptcy.

I.R.S. Settlements and Payment Plans.

ARE YOU IN CHAPTER 13 NOW?

PLEASE always keep the law office updated with your current address, telephone numbers, and email address. We may need to reach you quickly. You can check on the status of your Trustee payments, how much you still owe on your case, etc., by going to www.ndc.org to set up your user ID and password.

Are your chapter 13 plan payment too high? Lose job or overtime? It may be possible to surrender property or if your situation has changed to lower your payments. If this is your situation, contact our office for an appointment to prepare a Motion to Modify.

J. Thomas Black was licensed as an attorney in Texas by the Texas Supreme Court in May, 1982. Mr. Black is Board Certified in Consumer Bankruptcy Law by the Texas Board of Legal Specialization.



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A Little Humor – The “unhappy boss” edition...

“Dave is so scatterbrained, it’s a wonder he can remember to tie his shoelaces,” a manager complained to his assistant.

“What did Dave do now?” the assistant asked.

“I asked him to pick up a newspaper for me before he returned from lunch,” the boss replied. “He’s over there at his computer, so where’s my paper?”

Just then Dave ran into the boss’s office and said, “You’ll never guess what happened to me at lunch today. I was having lunch at that little bistro on Main Street, when who should walk in but the president of ABC company that we pitched last week. There wasn’t an empty table in the whole place, so I waved him over and invited him to sit with me.”

Dave went on: “I used the opportunity to remind him of why he should consider working with us—and he agreed! He wrote me a check for the retainer. I raced back here and just worked up the preliminary projections for the new account.”

“Did you remember to pick up that newspaper for me?” the boss asked.

Dave blinked and looked confused. “Huh?”

“See what I mean?” the boss said.