

STRICTLY BUSINESS

Buying the right health insurance

CHARLES ROSS

Your Personal Finance



There are two low cost health insurance options: Health Maintenance Organizations and Preferred Provider Organizations. Unlike traditional health insurance, with an HMO you won't fill out claim forms after each doctor visit. There are no deductibles, and you will probably pay \$5 to \$10 dollars per visit.

You will be assigned a primary care physician, or gatekeeper, who will then authorize visits to other doctors within the HMO's network. Physicians outside the network are generally not covered at all.

PPOs are slightly more expensive than HMOs. They also provide care through a network but you don't have to go through a gatekeeper. Either choice can save you money over traditional type coverage.

Point of service plans

Some people prefer the flexibility of traditional or indemnity health insurance. But indemnity plans are much more expensive than network plans, and many insurers no longer carry them at all.

An option which combines the flexibility of indemnity coverage with the cost savings of HMOs and PPOs is a Point-of-Service plan. It allows you to consult a network doctor or choose an out-of-network doctor. With in network doctors you'll pay from \$5 to \$1; out-of-network, you'll be covered for 70-80 percent of the doctor's charge, and you'll pay the remaining 20-30 percent.

Unfortunately, POS coverage is only sold to businesses. But if you are self employed, you can apply for POS coverage as a business.

HMOs and PPOs

With plans and options changing rapidly, you should consult a licensed insurance agent who can help you compare your choices. One key consideration may be cost, but that shouldn't be the only factor. More important is the quality of service, so check with the Better Business Bureau, your state department of insurance and, if possible, present and former policyholders. Make sure the plan you consider has doctors who are conveniently located.

Do you need a pediatrician or a heart specialist? Shop for the network with doctors and specialists who will fit your family's needs. If you don't find a plan that is perfect for you, or if you are concerned about cost, sign up now for the best available, then shop again in a few months.

Do you need added protection?

In some cases, people who receive health coverage from

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Who's on First?

By John Minter
THE CHARLOTTE POST

Richard Walker sells history. His Who's On First company retails, wholesales and distributes Negro Baseball League sportswear and paraphernalia.

And, he dispenses a wealth of details about the league.

"I've read six history books," Walker said. "I try to tell people, especially the young kids, about what they are buying."

Who's On First operates from a cart on the second level of Eastland Mall. Walker has three employees and is open seven days a week.

The Salisbury native attended N.C. A&T State University after graduating from J.C. Price High in Salisbury. He was attending graduate school at Howard University when he was drafted into the Army

and spent the next two years doing medical research at a Denver base.

In 1968, he joined Hoechst Celanese, working there 28 years, before taking early retirement to devote fulltime to his business.

Negro League t-shirts, jackets, hats and other items honor those ball players who never received due recognition when they were setting records and whipping white Major League teams in exhibition games.

Walker says through an arrangement with Major League Baseball and the Negro League Hall of Fame in Kansas City, Mo., 15 percent of sales of the sportswear goes to support the roughly 200 still living players from the old league, which was formed in 1920.



PHOTO/CALVIN FERGUSON

Richard Walker in front of his cart at Eastland Mall where he sells Negro Baseball League items.

"They had a reunion couple of months ago," Walker says. "They didn't have health care or get much money when they played. Many are down and out. Fifteen percent of the money goes to support the former players. It will support them until they die."

It was the Negro League

which produced Jackie Robinson, Roy Campanella and Hank Aaron, and many other early African American Major League stars.

Negro League sportswear carry the names of such teams as the Homestead Grays, which later played in Washington, the New York

Black Yankees, Baltimore Elite Giants, Brown's Tennessee Rats and the Cuban X Giants, from New York.

After Jackie Robinson and other African Americans began playing in the Major

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Money management

Reducing your odds of a tax audit

Amanda S. Danchi
SPECIAL TO THE POST

Late last year, 150,000 taxpayers avoided a tax audit without even knowing it when the Internal Revenue Service postponed plans to conduct line-by-line audits as part of its Taxpayer Compliance Measurement Program. But don't count on dumb luck this year. Before you let your guard down, you should know that, according to the North Carolina Association of CPAs, the decision to postpone the TCMP in no way affects the IRS's standard auditing program. While some tax returns are selected at random, most returns angle out for audit contain either deductions that appear to be too high in relationship to the person's income, or items that are erroneous, require proof or an explanation or are on the IRS's list of hot issues. Although IRS targets change with the times, here are some areas that have commanded the IRS's attention in recent years.

High wages
Generally, as your income increases, so does your chance of being audited. Based on audits of 1993 returns (the most recent data available) the odds of an audit for someone in the \$25,000 to \$100,000 income bracket are less than 1 in 100. For those making more than \$100,000, the odds increase to 4 in 100.

High DIF
When your return is filed,

IRS computers compare it against the national Discriminate Information Function (DIF) system average. The IRS calculates the DIF score by using a closely guarded formula. Returns with the highest DIF scores are scrutinized by experienced examining officers who determine which returns provide the best chance for collecting additional taxes, interest or penalties.

Wrong income entry
The IRS electronically matches the figures you report for dividends, interest, securities transactions and other income with information supplied by banks, brokerage firms and other payers. To avoid problems, it's best to report your dividend and interest income exactly as it appears on your 1099 forms and make adjustments on the return if the numbers are incorrect. If your brokerage account files a 1099 for all your dividends, don't list separate amounts on your return. By the same token, if you receive separate 1099s, don't report your earnings in one lump sum.

Self-employment
Because the IRS believes most under-reporting of income and abuse of deductions occurs among those who are self-employed, these individuals are audited far more frequently than employees collecting a salary. The same holds true for taxicab drivers, waiters and waitresses and others who traditionally receive payment in cash. Also, the IRS will sometimes conduct tests of certain individuals to determine if a taxpayer's reported income can support his or her lifestyle. The IRS publishes manuals to familiarize its tax auditors

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First minority subdivision unchanged after 19 years

By Christa Clark
VICKSBURG POST

VICKSBURG, Miss.— It was a strange idea in 1967, even to the 30 people whose names were on the deed.

But in a time when the South was still divided along racial lines the 35-acre tract of land, then just outside the city of Vicksburg, represented a place where 25 families could have a home, raise a family and picnic in their backyard if they chose, all without someone telling them they couldn't because of the color of their skin.

Shirley Porter, one of the original residents of the first black subdivision in Vicksburg, said the subdivision and Malinda C. Robinson, the woman responsible for it, need to be remembered as part of Vicksburg's history.

"She was a strong lady that knew of the desires of the hearts of many people, and she helped many people," Porter said. "Now my grandchildren are reaping the benefits from this lady."

Robinson, who was black, came to Vicksburg in 1941 as the Negro Home

Demonstration Agent, a segregation-era position in the county Cooperative Extension Department. Her job was to improve living conditions for black residents, whether it was directing mattress projects in Redwood or serving as a 4-H leader or home agent.

She encouraged people to buy land of their own when they could, and Robinson, a Natchez native, coordinated the purchase, financing and development of the subdivision which now bears her

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It is never too soon to plan for your old age

By Charles E. Belle
NATIONAL NEWSPAPER PUBLISHERS ASSOCIATION

"I have no choice but to work into my 70s," says a 59-year old woman. Well, unfortunately, she is going to have plenty of company as the "Contract With America" hits home.

As of January, one person in America turns 50 every seven and a half minutes! And too few of these "baby boomers" will have put away enough bucks for their retirement.

Two things have changed as they came of age. First, changing jobs frequently during their early careers caused them to lose any pension plan extra benefits due to longevity inside one plan.

Second, the "Contract with America" is cutting the amount of benefits from entitlement programs, as well as lengthening the eligibility for

payments from Social Security. Social Security, pension plans and savings cannot be depended upon to help maintain your standard of living during retirement or unemployment years.

The crisis is now for those who want to retire with a reasonable standard of living. The average American needs a cash flow of at least two-thirds of their last year of work for a comfortable retirement income. Clearly, because of the "Contract with America," Social Security will not come close to that figure. Savings in the banks and S&Ls by Americans cannot produce an income stream to make up the deficit.

To make matters worse, interest rates -- and therefore, certificates of deposit interest income -- are headed downward for the foreseeable future. From job hopping, few

of the baby boomers have built up any sizable equity in a pension plan, if indeed they have a pension plan. There are few companies that continue to give a gold watch after 40 years to employees because few employees have been with the same company for that long! Mergers and acquisitions have been aimed at most older companies.

Complicating this poor retirement scenario is the spending craze in the 80s. Consumer debt soared to record heights, where it remains today, despite an attempt by most people to cut up their credit cards in the 90s.

Aside from slaving until you are dead, what can the average worker do to prepare for some kind of comfort during retirement? Start saving and

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