

Community Calendar

Commissioners Move Meeting

The meeting of the Madison County Board of Commissioners, originally scheduled for Tuesday, has been moved to 1:30 p.m. Friday in the Madison County Courthouse.

Budget Meeting Set

The mayor and Board of Aldermen of the Town of Hot Springs will have a budget meeting with department heads in the city hall Thursday at 10 a.m.

GOP Women To Gather

The Madison County Republican Womens Club will meet at Mary's Restaurant on Saturday at 12:30 p.m.

Dance Sponsored

The Ladies Auxiliary of the Laurel VFD is sponsoring a dance at the firehall Jan. 31 from 8 p.m. to 12 p.m. The Carolina Mist band will provide music. Admission is \$2. Everyone is invited.

Boosters To Meet

The Marshall Youth Baseball and Softball Boosters Club will have a meeting Saturday at 3:30 p.m. at the elementary school. The meeting is for the election of officers for the coming season. Registration for players and coaches will be announced at a later date. In case of bad weather, a rescheduled meeting will be announced later.

Driver's Ed Taught

Driver's education classes are being taught at Madison High School. All out-of-school youth in need of driver education should contact McClelland Rice or Tom Wallin at Madison High School, 649-2876.

Car Care Clinic Offered

A free car care clinic will be held Thursday from 7 p.m. to 9 p.m. at Carolina Tire Company, located between Weaverville and Asheville at Stoney Knob. Please call Carolina Tire at 658-2741 by noon Thursday to reserve your seat. The clinic is sponsored by Carolina Tire Company/Goodyear.

Chamber Meeting Planned

The Hot Springs Chamber of Commerce is reactivating and will hold an industrial recruitment meeting at 10 a.m. Saturday in Town Hall. Anne Payne of the Industrial Commission will speak.

State Commission Looks At Weaverville Company

The North Carolina Real Estate Commission will hold a hearing to determine if further action should be taken against Wright Associates, a Weaverville real estate company.

The commission will investigate the possibility that real estate fraud may be connected to an insurance fraud case resulting in a conviction at the Wright Agency, a separate insurance company owned by Jerry Wright.

A field investigation report on the case was filed on Nov. 24, said commission attorney Tom Miller.

The real estate commission met in December and found probable cause

for an investigation of real estate fraud on the basis that Brenda Wright had been convicted earlier of two counts of obtaining property by false pretense.

Mrs. Wright, in Buncombe County Superior Court in August, received a suspended one-year sentence, a \$5,000 fine and was ordered to serve one year on supervised probation.

Charges against Jerry Wright were dropped on the condition he surrender his insurance license, according to the field investigator.

A date for the real estate commission hearing has not been scheduled.

100 Percent Pass Exam

Asheville-Buncombe Technical College officials learned recently that 100 percent of the 1986 graduating class in radiologic technology has passed the American Registry Exam.

Department chairperson Henry Dawkins reports that this is the 10th class in the past 15 years to score a

100 percent passing rate.

Any individuals completing a program approved by the Joint Review Commission on Education in Radiologic Technology can sit for the examination. The A-B Tech program is approved through 1989.

America Faces Financial Crisis

By RON HOLLAND

There is a crisis in America today that is not mentioned on the nightly news or in the local newspaper. It is more serious than the budget deficit, the Iran-Nicaragua controversy or the AIDS epidemic. The crisis is, to put it simply, "The Graying of America".

With better health care we are living longer after retirement, and neither Social Security nor our current private retirement system is in a position to accommodate the economic necessities of our longer retirement years.

In the next two decades, the number of retirees drawing upon the Social Security system will continue to increase while the ratio of workers contributing decreases. Our Social Security system, which was never meant to be a total retirement plan, will no longer be able to accommodate the disproportionate ratio of contributions versus withdrawals and benefit levels will decrease.

Increased life expectancy and the Social Security problem make it imperative that each of us rely more on ourselves for a secure retirement lifestyle.

Planning for retirement under the 1986 Tax Reform Act is more difficult than it was in the past due to the limitations imposed on individual retirement accounts. Effective Jan. 1, the following new limitations apply to IRA accounts:

- The \$2,000 IRA deduction will apply only for taxpayers who are not active participants in employer-maintained retirement plans or joint filers with adjusted gross incomes up to \$50,000, and singles up to \$35,000. Deductions would be allowed for joint filers covered under retirement plans but phaseout will begin at adjusted gross incomes of \$40,000. Single taxpayers earning up to \$25,000 and who are covered by retirement plans could take tax deductions for

Ron Holland's Report

IRA contributions but with phaseout beginning at \$25,000.

Although the government has made IRA's much more restrictive, the new law favors a little known retirement plan available to self-employed individuals and owners of small corporations - the simplified employee pension plan.

If you are an employee, you are not eligible to set up a simplified employee pension plan (SEP), although you are eligible to participate in a plan your employer establishes.

The SEP is ideal for sole proprietors, partnerships, family-run businesses and independent professionals such as doctors, lawyers, dentists and manufacturer's representatives.

The attractive feature of the Simplified Employee Pension Plan is the flexibility of the contributions - from 0 to 15 percent of compensation; you as an employer decide each year how much you want to contribute - without the \$2,000 yearly limitation imposed on the traditional IRA. Best of all, your contribution is totally tax-deductible to your business.

SEPs are available through any local bank, savings and loan, insurance agent or stock broker. Simplified employee pension plans offer a wide variety of investment options. Each plan is different, and before investing one must decide what kind of return he is looking for and how much risk he is willing to take with his investment.

With any investment there is a risk/reward ratio. A low risk invest-

ment will yield a correspondingly low return. A more attractive return carries with it more risk of market value fluctuations and loss.

Congress originally intended IRA accounts to be the second tier of a two-tier retirement system, with Social Security as the first tier and IRA's the second. Before the 1986 Tax Reform Act, almost everyone was eligible for Social Security and an individual retirement account, offering an investment alternative for preparing for retirement security in addition to employer-sponsored plans.

Individual retirement accounts were aggressively promoted by major financial institutions, but have now been severely curtailed by Congress due to the short-term revenue needs of the federal government. This "finger in the dike" approach to solving the budget deficit by curtailing an IRA program only 12 years old will have severe long-term negative consequences for those working Americans who hope to retire in 10, 20 or 30 years.

Simplified employee pension plans are a solution to the new IRA limitation for the self-employed and sole proprietorship or corporation small business owners.

In the final analysis, true retirement security will come only by a three-pronged effort on the part of each American:

1. We have to learn to be more responsible for our retirement security through prudent investments and by building savings, home equity and insurance benefits to take care of ourselves because Uncle Sam simply cannot afford to take care of us. Social Security will continue to be a part of retirement security, but only a small part.

2. Each individual must establish a retirement plan (what type will depend upon eligibility and income levels) to take advantage of the tax deductions for contributions and the tax free accumulation of earnings.

3. We must all be ever vigilant in the future when Congress decides to change the tax laws again. If we don't stand up for ourselves, by writing our Congressman and by voting, no one else will.


Ron Holland is vice-president of investments with First Tyron Securities. His financial column will appear in The News Record on a regular basis.

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