

# 2020 *APCPAA Business Advisory Journal*



## 2020 SCHEDULE OF EVENTS

- |                           |  |
|---------------------------|--|
| <b>February 10, 2020</b>  | Business Owners Series – Networking with Hing Wa Lee           |
| <b>August 6, 2020</b>     | 4th Annual Networking & Business Advisory Symposium            |
| <b>September 2020</b>     | Leadership Appreciation & Transition Luncheon                  |
| <b>September 21, 2020</b> | APCPAA & Asian Business Association Networking Golf Tournament |
| <b>November 2020</b>      | 5th Annual Board & Officer Installation Gala                   |



**Page Topic**

**2** President’s Message

**3** Executive CEO Guidance 2020 Ping Tai, Cathay Bank ..... **Pin Tai**

**4** Executive CEO Guidance 2020 Leigh Steinberg, Steinberg Sports & Entertainment ..... **Leigh Steinberg**

**5** A Comprehensive Wealth Succession Plan Using Trusts & Life Insurance ..... **Tony Yu**

**6** IRS Confirms Large Gifts Now Won’t Hurt Post-2025 Estates

**7** Section 1031 Alternative Solution..... **Charles Lee**

**8** State Tax Nexus Issue ..... **Sofia Lin**

**9** Qualified Opportunity Funds A New Weapon In The Estate Planning Arsenal

**10** 1. New Lease Accounting Standards for Private Company Lessees ..... **Norman Ko**  
2. Role of Financing as the Ever-Changing Fashion Industry Enters a New Decade ..... **Teresa Huang**

**11** 1. ICE Raid and Immigration Inspections – Best Practices to Prepare for Site Visits and Audits. . . **Alan Chuang**  
2. Changing the Retirement Paradigm ..... **Danny Chen**

**12** Time Passages Estate Planning Through The Years

## PRESIDENT'S MESSAGE



The COVID-19 Era has and will forever change the way that the world conducts business.

While technology companies constantly seek the next great business model disruptor to invest in, this virus has become the ultimate disruptor, forcefully tearing apart how we consume and how we transact business. We are in uncharted territory. Entire industries will be upended. Business owners are scared about making a wrong strategic move, uncertain as to when this pandemic will end and its long-term effects on the economy and society at large.

Our business owner clients need us, the trusted business advisors, more than ever. We need to be the anchor to our clients, to provide them with accurate and updated regulations, so that they are confident about making the most well-informed business decisions.

There are certainly many changes ahead for us business advisors: tax rules, labor laws, financial volatility, banking regulations, real estate demands, and many more. Let this be a call to action, for all of us to diligently learn about new regulations and market changes, unselfishly share with one another, and competently deliver advice to our clients.

Our medical professional brothers and sisters will help us defeat COVID-19, then it will be up to us to work with our business owner clients to resuscitate and heal the economy. We will triumph over this virus, Together.

### What is your general economic outlook for 2020?

As 2020 begins, the US and global economy appear to be picking up in response to easier monetary policy. Last year's big risk — the US-China trade dispute — seems to be resolved for now. GDP growth in the US is expected to experience subdued economic growth, although a recession is unlikely, largely because of continued strength in low unemployment rate, consumer spending and a rebound in business fixed investment.

### What are some of the potential headwinds for economic growth in 2020?

An increasingly unpredictable policy environment, slowing global growth, and continuing trade tensions may create a fragile backdrop for the economy. The Wuhan coronavirus has revived fear over the potential economic impact of the virus. While it is difficult to guess at the magnitude or duration of the economic impact of the virus, there may be some disinflationary fallout in the economy in the first half of the year.

### What new initiative or product does your company wish to develop in 2020?

Cathay Bank has always been on the path to identifying customer's strategic positioning goals and satisfying unmet needs by creating new banking products and services. Like our digital banking has become a multi-channel solution for customers via online banking, mobile banking for their account management need, and the treasury management that provides business customers with immediate access and management of their accounts in order to have greater control and visibility of their cash flow.

We have also kept developing our traditional banking products to satisfy the market need, like expanding our wealth management products and services and established specialized commercial lending teams.

And we always recognize the importance of thorough research for our products and keep improving our service quality to help customers meet their objectives.



### Any major changes in your industry for consumers to be aware of?

In the past decade, the banking industry has witnessed how introduction of new financial technologies dramatically changed the way people manage their assets, and the increase of cloud and mobile technologies has given banks an opportunity to redefine the banking experience to their customers. And to get there, banks will increasingly mingle with growing fintech ecosystem to accelerate innovation and improve the banking experiences. To keep up with the pace of change, financial institutions will continue evolving their approach to keep up with the challenges that they are facing and more importantly, the opportunities that they can take advantage of in this fourth industrial revolution. Regulatory, legal, and compliance issues will become more critical to face the new and emerging challenges from advanced technologies.



**Pin Tai**  
CEO

**Cathay General Bancorp  
and Cathay Bank**

Pin Tai joined Cathay Bank in 1999 as General Manager of its New York region, and was instrumental in the development of our East Coast presence in New York, Boston, Maryland, and New Jersey, as well as in the Chicago, Illinois, area. He took on more responsibilities within the bank as EVP in charge of Eastern Regions including Texas, and was appointed Chief Lending Officer in 2013. In 2015, he was invited to join the Board of Directors and was appointed as President of Cathay Bank. In 2016, he was named CEO & President of Cathay General Bancorp and Cathay Bank. Tai joined Cathay General Bancorp as a board member in 2017.

Tai earned his bachelor's degree in Chemical Engineering at University of Rochester in 1977 and his MBA at Northwestern University Kellogg School of Management. Prior to joining Cathay Bank, he worked at Bank of America in Hong Kong and China, and Bank of China in the U.S.

Tai is active in community organizations and serves on the boards of the Western Bankers Association, Cathay Bank Foundation, Foot-hill Family Service, and Worldwide Christian Churches Ministries.



How do you see the professional sports industry continue to evolve in 2020 and beyond?

Professional sports continue to dominate entertainment in America. Because NFL football continues to draw higher ratings than regular programming, we can foresee even more games, highlight shows, opinion shows, and expansion of the amount of sports on every platform of content supply. Gambling will be integrated into the live attendance experience. Fantasy sports continue to engross more contestants. Virtual reality and augmented reality will bring fans into a more intimate experience. New state of the art facilities will continue to be built with multiple ancillary revenue streams, branding and naming rights. New sports will be developed. The pernicious effect of sports related concussions needs awareness, prevention and cure.

How has the professional agent role changed, and how do you see that role continue to evolve in 2020 and beyond?

The role of the agent will continue to expand in representation. It requires having a holistic understanding of the athlete and his values and priorities. Contract negotiations for rookies are



now more constricted in the NBA and NFL with salary caps. Athletes are millennials with shorter attention span, so communication needs to be more tightly organized. Helping athletes be role models and retrace their roots setting up scholarship funds and foundations to make an impact off the field is key.

How do you see your agency continue to grow and adapt as we begin the second decade of this new millennium?

The currency for measuring value for athletes has not largely focused on social media as a metric. Agents need to be conversant with all the platforms of content supply and advise athletes how to cultivate positive messages and brand. We also can represent new breakthroughs in health, protection and equipment.

Enhanced hydration and stamina boosters, mouthguards, protective helmets, and new rules changes are projects we can push. Our agency will expand into MLB, NBA, hockey, golf, e-sports and other fields. We can also produce sports themed programming.

Do you see growing impact in professional sports in America by Asian athletes? Please share any observations and predictions.

The most popular sport in America is NFL football. If China were to ever turn its' focus to training players in that sport, it could quickly have an impact. Because of the massive population base, Chinese athletes could play a leading role in American sports. Most Asian Americans I know are huge sports fans. It is only a matter of time before that interest translates into starting to train a higher percentage of Asian-American youth to participate in team and individual sports. This combined with front office and legal roles will continue to expand.



Leigh Steinberg

CEO & Chairman of Board

Steinberg Sports & Entertainment

Leigh was born and raised in Los Angeles by his parents, a teacher and librarian. He obtained both his undergraduate and law degrees from Cal where he was student body president during each tenure. Leigh has represented many of the most successful athletes and coaches in football, basketball, baseball, hockey, boxing, golf, etc., including the number one overall pick in the NFL draft for an unprecedented eight times in conjunction with 62 total first round picks. Furthermore, Leigh has represented other notable athletes such as Oscar De La Hoya and Lennox Lewis, as well as multiple Olympians and professional teams. With an unrivaled history of record-setting contracts, Leigh has secured over \$3 billion for his 300+ pro athlete clients and directed more than \$750 million to various charities around the world.

Leigh is easily distinguished from others within his profession by his passion for giving to those less fortunate and his endless campaign to make our world a better place. He has received commendations from Congress, State Senate, State Legislature, the Los Angeles City Council, the Orange County Board of Supervisors, President Reagan, President Bush and President Clinton. Leigh has been named Man of the Year over a dozen times by a variety of groups including the March of Dimes, Cedars-Sinai, the Southern California Boy, Scouts, the Orange County and Los Angeles Human Relations Commissions, the Orange County and Los Angeles divisions of the Anti-Defamation League, and several other professional and charitable organizations. He has also been awarded the "Keys to the City" in San Francisco, CA, Memphis, TN, Jacksonville, FL and Concord, CA. In 2017, Leigh was inducted into the California Sports Hall of Fame.



A trust is a private legal contract between the trustee (administrator of the trust) and the trust creator (often referred to as the settlor or grantor). The grantor creates, funds and “entrusts” the trustee to manage the trust for the duration of the trust’s existence for the benefit of the trust beneficiaries. Beneficiaries of the trust may be the trust grantor’s spouse, children, family members, close friends, or even a charitable organization. Some states even allow “self-settled” trusts, where the grantor creates an irrevocable gift trust for his or her own benefit.

### **There are 2 general types of trusts, a Revocable or Irrevocable Trust.**

A revocable trust, or living trust, is a trust where the grantor retains full and complete control to modify or revoke the trust, as well as the legal provisions and assets therein. In a revocable trust, the grantor is usually both trustee and beneficiary. Since the grantor retains full control, any assets associated within the trust are still subject to any estate taxes and the grantor’s assets are not protected from litigation and creditors. The revocable trust does offer: (1) probate avoidance (a court procedure to settle a decedent’s estate that will incur legal fees and delay distribution to surviving members for

about one year and (2) potential prevention reimbursing to a state’s Medicaid program upon decedent’s death.

An irrevocable trust is associated with a completed gift. Usually, the trust grantor creates a trust that is “etched in stone” and then funds the trust by irrevocably gifting an asset into it for the benefit of the trust beneficiary. Since this gift has parted from the grantor’s hands, two resulting benefits occur: (1) the assets inside the trust are effectively shielded from the grantor’s liability and creditors and (2) those assets are removed from the grantor’s wealth for estate tax purposes.

### **In the intersection of trusts and life insurance planning, the following factors must be considered when planning the transfer of a life insurance policy into a trust:**

1. If paying the premiums for a new policy or moving an existing policy into an irrevocable trust, the client must consider gift tax consequences.

2. Does the client have minor children? A life insurance policy can avoid probate even if it is not owned by any trust because of the policy’s beneficiary designation provision, but if a minor were to

receive the proceeds, the court will require an annual accounting of those proceeds, resulting in additional legal work and fees. Such fees may be avoided if the policy were paid out to a trust.

3. Does the client intent to use the policy for lifetime benefits, such as long-term care, cash withdrawals or loans for supplemental retirement? If so, the client will not have access to those benefits if the policy is retained in an irrevocable trust intended to benefit another family member.

Trusts and life insurance are fundamental tools for comprehensive wealth succession planning. The key is wholly understanding the client’s objectives and tailoring that plan to be legally sound and tax efficient.



**Tony Yu**

**President**

**& Board Member**

Tony Yu is an ESQ, CPA, CPCU, CFP®, ACI, CLU, ChFC, PFS, CFS, TEP. He is the 2nd Generation Owner of DSG Business, Tax, & Wealth Planning. Tony is also the Managing Attorney of DSG Wealth & Trust Law, a DSG-affiliated company which helps those same clients with estate planning design and implementation.

See: [https:// www.dsgwealth.com](https://www.dsgwealth.com)



# IRS Confirms Large Gifts Now Won't Hurt Post-2025 Estates



The IRS has issued final regulations that should provide comfort to taxpayers interested in making large gifts under the current gift and estate tax regime. The final regs generally adopt, with some revisions, proposed regs that the IRS released in November 2018.

## The need for clarification

The Tax Cuts and Jobs Act (TCJA) temporarily doubled the gift and estate tax exemption from \$5 million to \$10 million for gifts made or estates of decedents dying after Dec. 31, 2017, and before Jan. 1, 2026. The exemption is adjusted annually for inflation (\$11.40 million for 2019 and \$11.58 million for 2020). After 2025, though, the exemption is scheduled to drop back to pre-2018 levels.

With the estate tax a flat 40%, the higher threshold for tax-free transfers of wealth would seem to be great news, but some taxpayers became worried about a so-called “clawback” if they die after 2025. Specifically, they wondered if they would lose the tax benefit of the higher exemption amount if they didn’t die before the exemption returned to the lower amount.

The concern was that a taxpayer would make gifts during his or her lifetime based on the higher exemption, only to have their credit calculated based on the amount in effect at the

time of death. To address this fear, the final regs provide a special rule for such circumstances that allows the estate to compute its estate tax credit using the higher of the exemption amount applicable to gifts made during life or the amount applicable on the date of death.

## Examples

Let’s say that you made \$9 million in taxable gifts in 2019, while the exemption amount of \$11.40 million is in effect. But you die after 2025, when the exemption drops to \$6.8 million (\$5 million adjusted for inflation).

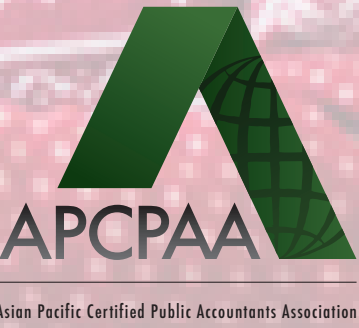
Under the new regs, the credit applied to compute the estate tax is based on the \$9 million of the \$11.4 million exemption used to compute the gift tax credit. In other words, your estate won’t have to pay tax on the \$2.2 million in gifts that exceeds the exemption amount at death (\$9 million less \$6.8 million), and the credit to the estate tax will reflect the \$2.4 million of the amount remaining after the gifts were made (\$11.4 million less \$9 million).

If, however, you made taxable gifts of only \$4 million, the new regs won’t apply. The total amounts allowable as a credit when calculating the gift tax (\$4 million) is less than the credit based on the \$6.8 million exemption amount at death. So, the estate tax credit is based on the exemption amount at death, rather than the amount under the TCJA.

## Act now

Even though the TCJA and the final regs provide a strong tax incentive to transfer assets, it’s important to remember that the offer is “use it or lose it.” The new regs apply only to gifts made during the 2018-2025 period, so contact us now to formalize your gifting strategies.

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# Section 1031 Alternative Solution

If assets are structured correctly before a sale, Clients who are selling their investment real estate property (RE) can achieve the following goals: (1) enter into a 1031 exchange, but at a smaller amount because they want to reduce their RE holdings; (2) receive some cash-out; and (3) defer taxes on the cash-out.

For example, Client wishes to sell \$10 million in RE, owned wholly by his LLC. The RE has a \$3 million mortgage and Client wants to enter \$2 million into other investments.

## Banker’s Solution

The most common solution presented to clients is the “Banker’s Solution.” (1) Sell RE through a 1031 exchange; and (2) after acquiring a \$10 million replacement property, refinance the property and borrow \$2 million in additional loans. This solution achieves most of Client’s goals: Client receives desired \$2 million and achieves deferring taxes on the cash-out. However, Client still owns a \$10 million RE but now must service \$5 million in total debt (\$3 million from the 1031 exchange and \$2 million from the refinance).

## Tax Attorney’s Solution in a flood zone.

The alternative solution is referred to as the “Tax Attorney’s Solution.” First, Client would have to “split” the ownership of the deeds so that RE is



owned by 2 taxpayers as a Tenancy in Common (TIC). For example, Client finds a replacement property worth \$6 million. Prior to the sale, Client would split ownership of RE as such: 60% to LLC and 40% to Client as a TIC. This split allows for the LLC to still enter into a 1031 exchange, but also allows for Client to enter into a monetized installment sale. Note, the debt would be split pro-rata amongst RE owners (\$1.8 million to LLC and \$1.2 million to Client).



- 1031 exchange

The LLC would enter into a 1031 exchange whereby it would acquire the \$6 million exchange property which includes \$1.8 million of debt. Client’s goal of entering into a smaller 1031 exchange is achieved.

- Monetized Installment Sale (MIS)

Client sells his 40% interest in RE to a Third-Party Purchaser (TPP) and receives a 30-year, interest only promissory note, achieving tax deferral until TPP pays the principal on the note. After the sale, Client acquires an interest only unsecured loan, equivalent to 95% of the promissory note. The interest paid to Client by TPP is used to pay the



lender its interest. After 30 years, TPP pays to Client 95% of the promissory note’s value, in which Client uses to pay back lender. Client then owes tax to the government.

By entering into a MIS transaction, Client would receive a loan of \$3.8 million, of which \$1.2 million would be used to pay off Client’s portion of debt on RE. After paying off the debt, Client would have \$2.6 million in loan proceeds that can be used for other investment purposes. Client’s goals of cashing out \$2 million and deferring taxes on the cash-out.



**Charles Lee**  
Vice President  
& Board Member

Charles Lee is the CEO of Reliant Tax Consulting, Inc. which specializes in certain income tax credits & incentives. There are over \$30 billion of tax credits claimed every year to save on income taxes. Charles has over 27 years of experience as an income tax planner reducing and deferring income & capital gains taxes. Reliant works with CPAs and other professionals -- we do not replace CPAs.

See: <https://www.reliantez.com>



# State Tax Nexus Issue

## Nexus

Nexus describes the amount and degree of a taxpayer's connection with a state before the taxpayer becomes subject to the state's taxing jurisdiction. If your business meets the requirements for having a tax nexus in several states, you will need to

- (a) collect, report, and pay sales taxes on applicable products and services in each state, and
- (b) pay state income tax on any income generated within that state.

Each state has its own rules for determining nexus. Nexus is determined differently for income taxes and for sales tax purposes. Nexus is determined for sales tax purposes more loosely.

On June 21, 2018, the Supreme Court of the United States handed down a historic decision in the sales and use tax nexus case *South Dakota v. Wayfair, Inc.* The ruling overturns physical presence standards upheld in previous cases, such as *Quill Corp. v. North Dakota* (1992) and *National Bellas Hess Inc. v. Department of Revenue of Illinois* (1967), where a business had to have a physical presence in the state for the state to impose sales and use tax collection obligations on the business.

The Court said that older ways of determining tax nexus were “artificial and anachronistic” and that states have the right to require online sellers to charge and collect sales tax from all online buyers, not just buyers physically located in that state. This new standard applied if the business delivered more than \$100,000 of goods or services in South Dakota or engaged in 200 or more separate transactions in South Dakota in the current calendar year or the prior calendar year.



## Taxpayer considerations

In recent years, many states have become more aggressive in enacting various statutes that require out-of-state sellers to collect and remit sales tax. Over half of the states that impose a general state-wide sales taxes now have addressed a form of “economic” nexus, the simplest way of determining tax nexus.

The decision in *Wayfair* will affect companies that have economic presence in a state that meets that state's nexus standard within the Court's new ruling. It especially impacts online businesses where, in the past, the lack of a physical presence prohibited a state from imposing sales and use tax collection requirements on those businesses. Most imme-

diately, out-of-state sellers that deliver goods or provide services into a “economic presence” state will need to determine if the business exceeds the state's specific economic sales or activity thresholds.

Currently, at least 25 states have enacted economic nexus models with varying enforcement dates. Other states are issuing nexus guidance suggesting economic nexus policies may be enacted. It is also reasonable to expect that states may use this ruling to determine economic nexus thresholds for state income tax purposes as well.

It's important to understand where your business has nexus and how the recent ruling may impact your taxes and reporting requirements. Taxpayers may need to conduct an analysis on each state that has adopted, or plans to adopt, economic nexus threshold requirements for various state and local taxes to ensure compliance with all jurisdictions in which they have customers.



**Sofia Lin**  
Secretary  
& Board Member

Sofia Lin, CPA, is a tax partner with Chen & Fan Accountancy Corporation. Sofia has more than 20 years of experience serving clients in both domestic and international income tax planning, consulting, and compliance for corporation, individual, and flow-through entity taxation and related IRS and State tax audits.

See:  
<https://www.chenfancpa.com/>





# Qualified Opportunity Funds A New Weapon In The Estate Planning Arsenal

The Tax Cuts and Jobs Act created a new program to encourage investment in economically distressed areas through generous tax incentives. The Qualified Opportunity Zone (QOZ) program relies on investments in Qualified Opportunity Funds (QOFs) — funds that can provide wealthy taxpayers with some new avenues for estate planning.



## 3 big tax benefits

Investors in QOFs stand to reap three significant tax breaks:

1. They can defer capital gains on the disposition of appreciated property by reinvesting the gains in a QOF within 180 days of disposition. The tax is deferred until the QOF investment is sold or Dec. 31, 2026, whichever is earlier.
2. Depending on how long they hold their QOF investment, they can eliminate 10% to 15% of the tax.
3. After 10 years, post-acquisition appreciation on the investment is tax-exempt.

By incorporating QOFs in your estate planning, you can reduce both capital gains and transfer tax liabilities.

## Estate planning implications

Proposed regulations make clear that a QOF investor's death isn't an "inclusion event" that would trigger tax on the deferred gains. In addition, most of the activities involved in administering an estate or trust (for example, transferring the interest to the estate or distributing the interest) won't trigger the gain. But the sale of the QOF interest by the estate, the trust or a beneficiary would. Gifts of QOF interests also are generally considered inclusion events that make the deferred gains immediately taxable.

You could avoid this, though, by gifting your interest to a grantor trust. Both revocable living trusts and irrevocable grantor trusts qualify. However, transfers to the latter are completed gifts and therefore produce greater potential tax savings in situations where the income and gains of the trust are taxed to the grantor, in turn reducing the grantor's estate by the amount of income taxes paid. (Note, though, that the termination of grantor trust status for reasons other than the grantor's death is treated as an inclusion event.)

For example, you could transfer a highly appreciated asset to an irrevocable trust with no gift tax under the federal gift and estate tax exemption (\$11.40 million for 2019 and \$11.58 million for 2020). The trust could sell the asset and defer the gains into a QOF investment.

Another option for transferring QOF interests is the grantor retained annuity trust (GRAT), which allows you to make a gift to a trust and receive an annuity interest roughly equal to the fair market value of the gift. Any appreciation beyond the amount required to pay the annuity also passes to the beneficiaries without gift tax.

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## New Lease Accounting Standards for Private Company Lessees

In February 2016, the Financial Accounting Standards Board issued a new standard on the accounting for leases, ASU 2016-02 Leases (Topic 842), which was codified in ASC 842 to replace the everlasting generally accepted accounting principles in ASC 840.

The most significant change under ASC 842 is the recognition of right-of-use (ROU) assets and lease liabilities by lessees for all leases, including those accounted for as operating leases under the superseded ASC 840. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities.

Under ASC 842, a lessee is required to do the followings:

- On the balance sheet, recognize a ROU asset and a lease liability, initially measured at the present value of the lease payments.
- On the income statement, recognize interest on the lease liability separately from amortization of the ROU asset for finance leases

and recognize a single lease cost calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis for operating leases.

- On the cash flow statement, classify repayments of the principal portion of the lease liability within financing activities and payments of interest on the lease liability and variable lease payments within operating activities for finance leases and classify all cash payments within operating activities for operating leases.

For private companies, ASC 842 is currently scheduled to take effect for annual financial reporting periods starting after December 15, 2019 (or after January 1, 2020 for calendar periods), and interim periods after December 15, 2020. Recognizing ROU assets and lease liabilities could significantly affect the financial ratios and covenants for middle market private companies. The immediate remedy may be to modify the covenants in debt agreements with creditors.

## Four Ways Working With A Financial Provider Can Help Apparel Companies Stay Fashion-Forward For A New Decade

In the world of fashion and apparel, adapting to change is essential and continuous — from evolving seasonal styles to emerging consumer tastes to shifting economic trends. In these first months of a new decade, it's clear that the only constant is change itself.

Successful fashion companies communicate a brand message that's stronger than the ever-changing trends and short lifecycles of apparel while helping influence consumer perception of their apparel's quality. Branding is more important than ever in today's digital marketplace. With the rise of social media, fashion brands can engage with consumers directly while promoting products and company news.

Heading into a new decade, another tool for adapting to change and staying ahead of the curve is working with an experienced financial provider. Here are four key ways the right financial provider can help an apparel company stay fashion-forward for the 2020s:

1. An accounts-receivable factoring team can provide the working capital to help run — and grow — apparel businesses.
2. With factoring, apparel companies can be paid for all credit approved and undisputed invoices without the burden and expense of having to manage those payments.
3. An experienced financial provider can help mitigate cash-flow challenges and customer credit risk.
4. The right provider will tailor solutions to help business owners realize their vision.

For companies focusing on new or continued success in 2020 and beyond, now is the time to take a closer look at how working with a leading provider of accounts-receivable management services and financing could provide the flexibility these fashion and apparel businesses need.



**Norman Ko** Board Member

Norman Ko is a co-founder of KF Professional Group, a certified public accounting firm. He serves clients in various sizes, from start-up to multi-million companies. Norman has extensive experience in audit and assurance, cash flow projection and analysis, due diligence, agreed-upon procedures, mergers and acquisitions, and business reorganization, as well as tax planning for business and individuals.

See: <https://www.kfpgcpa.com>

**Teresa Huang** Board Member

Teresa Huang is a Vice President, Business Development Officer at CIT Commercial Services' Los Angeles office. She earned her MBA and BS from California State Polytechnic University and is fluent in various dialects of the Chinese language. See: <https://www.cit.com>





## Changing the Retirement Paradigm

Conventional financial planning dictates an even distribution of retirement assets throughout the retirement period. Most planners use this method since it is the easiest way to calculate how long assets will last during retirement. However, recent application of some research into behavioral science may indicate that the old model of taking out the same amount from your retirement each year may not be the most rewarding or satisfying way to live during retirement.

**Saving the best for last** - It might be favorable for some retirees to consider taking less amounts from their savings at the beginning of retirement and increase it over their remaining years. This is particularly useful for people worried about running out of money in retirement and allows them to turn their anxieties about not having enough to the expectation of better times ahead.

**Eating the Best Chocolate first** - On the other hand, there are those that either due to health issues or personal preference, want to enjoy their savings before it's too late. They may want

to consider taking more at the beginning of retirement than later. For those who don't want to save their biggest retirement payout for their sickest years and want to enjoy it now, this may be a better payment strategy.

**Bonus time** - Finally, there is also the option of taking higher draw downs on savings at various intervals during retirement to break the monotony of a static distribution amount. These "bonuses" allow the retiree to take a special trip abroad or make an additional purchase they wouldn't otherwise have considered and in the end breaks the routine that leads to lower satisfaction.

It is not only important to save enough for retirement, but new thoughts into the field now show how you spend your money during retirement will greatly increase your overall happiness. Although more complicated to plan for, most financial planners should have the tools to make your retirement spending plan one that is not only prudent but tailored to your satisfaction preferences.

## ICE Raid and Immigration Inspections – Best Practices to Prepare for Site Visits and Audits

The United States Citizenship and Immigration Services (USCIS) is authorized to conduct random checks and fraud prevention investigations. If an employer employs a foreign employee in the U.S., the employer should be prepared for an USCIS inspection, because these visits now happen more frequently. The most common form of inspection is site visit to the workplace. The employer should be able and ready to produce the Public Access File (PAF), which contains the details of the work authorization petition. The USCIS agent also has the power to walk through the site and interview the employer and the employed foreigner. Common problems include a missing or incomplete PAF, and inadequate training of front-line staff on how to handle a site visit. If the USCIS officer is unsatisfied at the site visit, a Notice of Intent to Deny (NOID) may be issued to revoke the previously approved work application for the foreign employee. Failure to overcome the NOID will result in the termination of the employee's authorization to work.

Besides USCIS, the Customs and Border Protection (CBP) and Immigration and Customs Enforcement (ICE) also have fraud investigation units. CBP and ICE target employers that are suspected of hiring illegal workers. The suspicion may be founded on evidence that the employer is hiring unauthorized workers. While there is no PAF to prepare for the CBP or ICE, the employer should always have I-9 Forms readily available for ICE or CBP to inspect.

The best practices for employers are to hire employees who can legally work, have thoroughly prepared PAFs, I-9 Forms and participate in verification programs like E-Verify. An experienced immigration attorney can prepare employers with immigration related site visits.



**Alan K. Chuang** Board Member

Alan K. Chuang, a Chartered Financial Analyst charterholder, Certified Financial Planner practitioner, and Certified Public Accountant, has been involved in the finance industry for almost 20 years. Alan's varied investment and business experience and academic background provide a unique set of skills and perspective in serving the investment and wealth management needs of his clients.

See: <https://twotalents-asn.com/>

**Danny Chen** Board Member

Danny Chen practices immigration law and is based in Orange County, California. He has served as expert witness on immigration related litigation cases, and has been a panel speaker for the American Immigration Lawyers Association. See: <https://www.greenmaplelaw.com>





# Time Passages Estate Planning Through The Years

Virtually everyone needs an estate plan, but it isn't a one-size-fits-all proposition. Even though each person's situation is unique, general guidelines can be drawn depending on your current stage of life.

## The Early Years

If you've recently embarked on a career, gotten married or both, now is the time to build the foundation for your estate plan. And, if you've recently started a family, estate planning is even more critical.

Your will is at the forefront. Essentially, this document divides up your accumulated wealth upon death by deciding who gets what, where, when and how. With a basic will, you may, for instance, leave all your possessions to your spouse. If you have children, you might bequeath some assets to them through a trust managed by a designated party.

A will also designates the guardian of your children if you and your spouse should die prematurely. Make sure to include a successor in case your first choice is unable to meet the responsibilities.

During your early years, your will may be supplemented by other documents, including trusts, if it makes sense personally. In addition, you may have a durable power of attorney that authorizes someone to manage your financial affairs if you're incapacitated. Frequently, the agent will be your spouse. Also, obtain insurance protection appropriate for your lifestyle.

## The Middle Years

If you're a middle-aged parent, your main financial goals might be to acquire a home, or perhaps a larger home, and to set aside enough money to cover retirement goals and put your children through college. So you should modify your existing estate planning documents to meet your changing needs.

For instance, if you have a will in place, you should periodically review and revise it to reflect your current circumstances. Typically, minor revisions to a will can be achieved through a codicil. If significant changes are required, your attorney can rewrite the will entirely.

If you and your spouse decide to divorce, it's critical to review and revise your estate plan to avoid unwanted outcomes.

## The Later Years

Once you've reached retirement, you can usually relax somewhat, assuming you're in good financial shape. But that doesn't mean estate planning ends. It's just time for the next chapter.

If you haven't already done so, have your attorney draft a living will to complement a health care power of attorney. This document provides guidance in life-ending situations and can ease the stress for loved ones.

Finally, create or fine-tune, if you already have one written, a letter of instructions. Although not legally binding, it can provide an inventory of assets and offer directions concerning your financial affairs.

## Revisit Your Plan Periodically

Regardless of the stage of life you're currently in, it's important to bear in mind that your estate plan isn't a static document. We can help review and revise your plan as needed.

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