

Arizona economy: State ranks No. 3 for discouraged workers. 4E

Jobs: Contractor or employee? The perils of misclassification. 6E

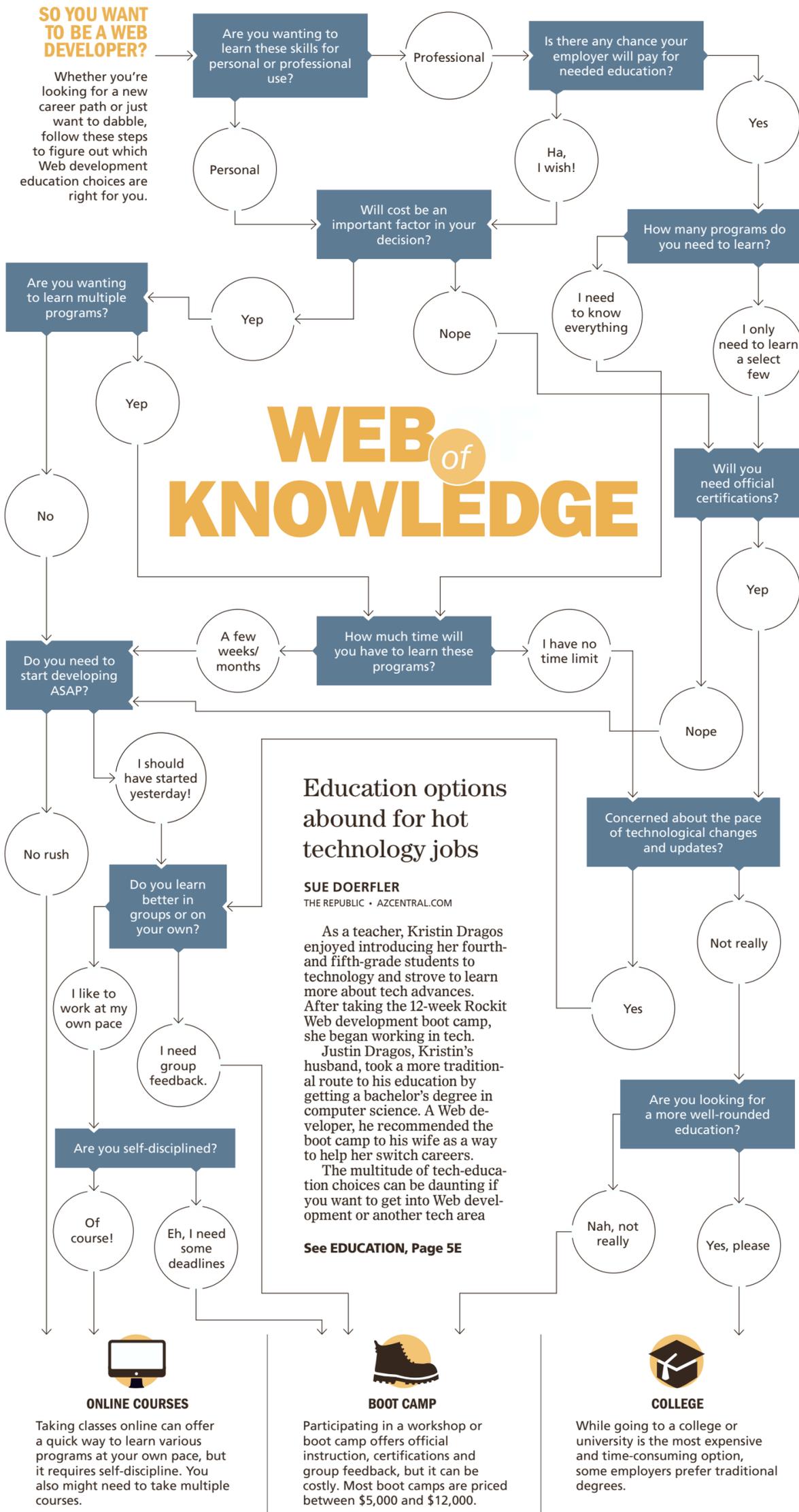
Last week's results

	Dow Jones -517.92 17,568.53		NASDAQ -121.52 5,088.63		S&P -46.99 2,079.65
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AZ Economy

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Paddock still open despite collapse

PAUL GIBLIN
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The public collapse of Scottsdale-based Paddock Pools in recent weeks marks the downfall of one of the nation's oldest and largest pool-construction companies. The company's business license has been revoked, three contracting licenses held by Paddock and its affiliated companies have been revoked and it has seen at least \$1.4 million dollars in judgments and liens recorded against it since 2013, according to public records. Yet the doors at Paddock's Scottsdale showroom were unlocked Thursday and a sign inviting visitors read "Open." A sales clerk who declined to provide her name said employees were providing goods and equipment to customers who previously made purchases, but were not conducting new business. The clerk said chief financial officer Carole Myers was in the building, but was not granting interviews. Numerous phone messages left by *The Arizona Republic* have gone unanswered. The Arizona Registrar of Contractors revoked three contracting licenses held by Paddock and related compa-

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Fostering students' interest in STEM

KAYLA S. SAMOY
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Assured Engineering Concepts designs utilities-distribution plans for large companies, but founder Patrick Ramirez wants to do more than lay the groundwork for delivering natural gas and the Internet. He also wants to provide opportunities for high-school students in underserved communities who may have never given a thought to a career in STEM — science, technology, engineering and math. Ramirez last spring started an internship program to help young people discover what they're passionate about, much like the Air Force helped him discover his passion for engineering when he was a 20-year-old without a plan. A Phoenix native, Ramirez enlisted in 1987. He had been working part time and taking classes at a community college, but he lacked focus. His time in the Air Force changed that. "It gave me a window to look at engineering systems, a window to look at

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RUSS WILES
YOUR MONEY

How to minimize Social Security taxes

Deciding when to start taking Social Security benefits depends on many factors, including how long you expect to live and the amount of financial resources at your disposal. Income taxes and withdrawals from other retirement accounts also can influence the decision. Yet these factors often don't get as much attention as they should. So says a new report from Prudential that, among other things, looks at the potential tax bite on Social Security benefits.

IRA withdrawals — or those from 401(k) plans, annuities and other investment accounts — can trigger taxes on Social Security benefits that otherwise might go untaxed, said James Mahaney, a Prudential vice president for strategic initiatives who authored the report. Investors who delay withdrawing from these other accounts "are only creating a greater deferred tax liability," he contends, since taxes eventually must be paid. There's often enough wiggle room re-

garding the timing of IRA withdrawals and Social Security benefits to minimize the tax bite. IRAs, 401(k) plans and Social Security itself provide flexibility on when to take income. "If you want to make sure you're maximizing your after-tax income, take some of that 401(k) and IRA money and spend that down first," Mahaney said. If Social Security is your only income in retirement, you won't pay taxes on it. But if you have other sources of revenue, watch out. When it comes to taxes, Social



Security benefits fall into one of three categories: For moderate-income retirees, all benefits might be untaxed. But for others, up to 50 percent of benefits — and possibly up to 85 percent of benefits — could be taxed. Where the needle lands depends on

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GRAPHIC WRITTEN AND CREATED BY ALIYA MOOD/THE REPUBLIC