

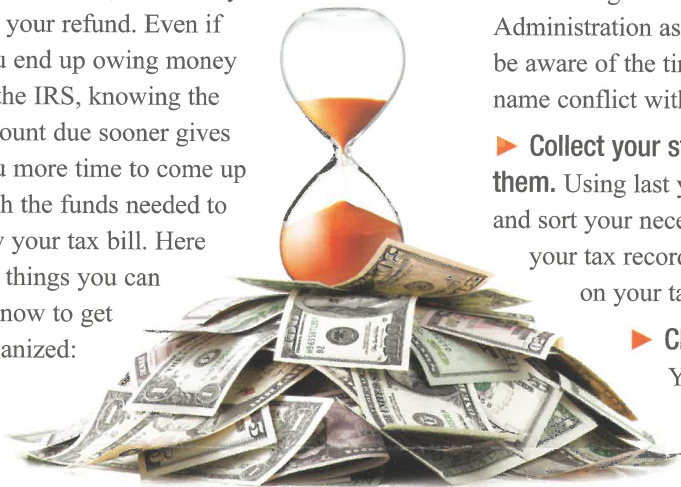
IRS Update ..... 2  
 Tips to protect yourself from tax scams.... 2  
 How to correct common financial mistakes ..... 3  
 Your tax calendar ..... 3  
 How to raise a financially savvy child ..... 4

# CLIENT UPDATE

S P R I N G 2 0 1 9

## 6 tips for a faster refund

As the tax filing season approaches, there are steps you can take now to speed up the filing process. The faster your return is filed, the faster you get your refund. Even if you end up owing money to the IRS, knowing the amount due sooner gives you more time to come up with the funds needed to pay your tax bill. Here are things you can do now to get organized:



► **Look for your tax forms.** Forms W-2, 1099 and 1098 come in the mail. Look for them and get them organized. Create a checklist of the forms to make sure you aren't missing any.

► **Don't wait for Forms 1095.** Once again, proof of health insurance coverage forms are delayed. The deadline for companies to distribute most Forms 1095 to employees is pushed back to March 4. The IRS is OK with filing your return prior to receiving the proof of insurance form as long as you can provide other forms of proof. Remember, 2018 is the last year of penalties if you do not have adequate insurance coverage.

► **Finalize name changes.** If you recently married or had a name change, file your taxes using the correct name. File your name change with the Social Security Administration as soon as possible, but be aware of the timing with a potential name conflict with the IRS.

► **Collect your statements and sort them.** Using last year's tax return, gather and sort your necessary tax records. Sort your tax records to match the items on your tax return.

► **Clean up your auto log.** You should have the necessary logs to support your qualified business miles, moving miles, medical miles and charitable miles driven by you. Gather the logs and make a quick review to ensure they are up to date and totaled.

► **Coordinate your deductions.** If you and someone else may share a dependent, confirm you are both on the same page as to who will claim the dependent. This is true for single taxpayers, divorced taxpayers, taxpayers with elderly parents/grandparents, and parents with older children.

While you are organizing your records, ride the momentum to start your filing system for the new year. Doing so will make this process a breeze this time next year! ♦



### Tax Record Checklist

Here are tax records you may need to file a return:

- Informational tax forms (W-2, 1099, 1098, 1095-A, plus others)
- Business K-1 forms
- Social Security statements
- Mortgage interest statements
- Tuition paid statements
- Educational expenses
- Property tax statements
- Mileage logs
- Medical, dental and vision expenses
- Business expenses
- Asset purchases and sales records
- Health insurance records
- Charitable receipts and docs
- Bank and investment statements
- Credit card statements
- Out-of-state purchase records
- Estimated tax payment records
- Home sales (or refinance) records
- Casualty and theft loss docs

If you are not sure whether something is important for tax purposes, retain the documentation.

## Business phishing emails on the rise

There is an increase in phishing emails that are used to redirect payroll deposits and wire transfers into the hands of thieves. A thief will pose as an employee and send an email to payroll or human resources asking to change direct deposit or wire transfer account information (diverting money into an account the thief controls).

In another common scam, a thief will impersonate an executive and send an email requesting a list of the organization's Forms W-2 for all of its employees. This allows the thief to quickly file fraudulent tax returns for refunds.

Keep your eyes open for emails involving sensitive info. Fraudulent emails often have grammatical errors. When in doubt, confirm email details in person. And don't forget to report tax-related phishing emails to [phishing@irs.gov](mailto:phishing@irs.gov). Non-tax fraudulent emails can be reported on [www.ic3.gov](http://www.ic3.gov).

## First-quarter interest rates up from 2018

Interest rates for the first quarter in 2019 have changed since last quarter. These rates include: 6 percent for overpayments (5 percent for corporations), 3.5 percent for the portion of a corporate overpayment over \$10,000, 6 percent for underpayments and 8 percent for large corporation underpayments. ♦

## Check on your tax refund status after you file

If you're expecting a 2018 tax refund, you can check its status on [www.irs.gov/refunds](http://www.irs.gov/refunds). You will need your Social Security number (SSN) or Individual Taxpayer Identification Number (ITIN), filing status and the exact refund amount.

The IRS generally issues refunds in less than three weeks from the date of your online submission, or six weeks from receiving your mailed-in return. However, some refunds require more time.



# Tips to protect yourself from tax scams

Too many people downplay the threat of identity theft because it hasn't been witnessed or experienced firsthand. This false sense of security can leave you exposed, especially during tax season.

Here are some tips to keep your identity safe from tax scammers:

### Be naturally suspicious

Understand that there are people out there trying to get your information, and others willing to pay for it. With that knowledge, be suspicious of anyone asking for personal information — especially your Social Security number (SSN). Even when a known vendor asks for your SSN, ask what they will be using it for and refuse most requests unless you deem it necessary.

## File your tax return as soon as possible

A popular tax scam is to file a fake tax return and deposit the refund into the thief's account, all before you get the chance to file your own return. You close the door on scammers once your return is filed with the IRS.

## Shred (don't just crumple) your documents

Get in the habit of shredding all paperwork before it's thrown out to keep personal information from falling into the wrong hands. If you don't own a shredder, contact your bank or other local community services as they often offer free shredding services on specific days.

## Keep your Social Security card safe

Only carry your Social Security card with you when it's needed for a specific purpose. Your wallet or purse is not a good permanent spot for your card. Any criminal would have a treasure trove of personal data if it were to get lost or stolen along with your driver's license and credit cards.

## Periodically check your credit reports

The three major collection agencies (Experian, Equifax and TransUnion) are legally required to provide you with a free credit report each year. Take advantage of this service and review the reports. Correct any errors and use this report to monitor your accounts for any potential identity theft.

Be smart when handling your personal information. Don't get caught off guard by identity theft, especially by being careless. If you think you are a victim of a tax scam, alert the IRS right away and go to [identitytheft.gov](http://identitytheft.gov) for more information. ♦

# How to correct common financial mistakes

**Y**ou're working at the office, getting stuff done around the house, or hanging out with family when — *wham!* — a phone call, email or text alerts you that something is wrong with your finances.

When a negative financial event hits, don't let it take you down. Here are some common mistakes and steps to remedy each situation:

## ■ You overdraw your bank account

First, stop using the account to avoid additional overdraft fees. Next, manually balance your account by reviewing all posted transactions. Look for unexpected items and fraudulent activity. Then, call your bank to explain the situation and ask that all fees be refunded. Banks are not obligated to refund fees, but often times they will. The next steps vary based on the reason for the overdraft, but ultimately your goal is to bring your account back to a positive balance as soon as possible.

## ■ You miss a credit card payment

Make as big of a payment as possible as soon as you realize you missed it. Time is of the essence with late credit card payments — the longer it goes, the more serious the consequences. Then call the credit card company to discuss the missed payment. You

might be able to get a refund of the late fees, and perhaps a reversal of the interest charge.

## ■ You forget to file a tax return

Gather all your tax documents as soon as possible, and file the tax return even if you can't pay the taxes owed.

This will stop your account from gathering additional penalties. You can work with the IRS on a payment plan if need be. The sooner you file, the sooner the money will be in your bank account if you're due a refund. If you wait too long (three years or more), any potential refunds will be gone forever.

## ■ You lose your wallet

Start by calling all of your debit card providers, then your bank and the credit card companies. Next, set up fraud alerts with the major credit reporting companies and get a new driver's license. Finally, if you think it was stolen, file a report with the police.

## ■ You miss an estimated tax payment

Estimated payments are due in April, June, September and January each year. If you are

required to make estimated payments and miss a due date, don't simply wait until the next due date. Pay it as soon as possible to avoid further penalties. If you have a legitimate reason for missing the payment, such as a casualty or disaster loss, you might be able to reduce your penalty.

Remember, mistakes happen. When they do, stay calm and walk through the steps to correct the situation as soon as possible. ♦



## Your Tax Calendar

### March 1

- Farmers and fishermen who did not make 2018 estimated tax payments must file 2018 tax returns and pay taxes in full.

### March 4

- Due date for employers and health care providers to provide Forms 1095-B and 1095-C to individuals.

### March 15

- 2018 calendar-year S corporation income tax returns are due.
- 2018 partnership returns are due.
- Deadline for calendar-year corporations to elect S corporation status for 2019.

### April 15

- Individual income tax returns for 2018 are due.
- 2018 calendar-year C corporation income tax returns are due.
- 2018 annual gift tax returns are due.
- Deadline for making 2018 IRA and HSA contributions.
- First installment of 2019 individual estimated tax is due.

### May 15

- Deadline for calendar-year non-profit organizations to final annual reporting returns.

# Keep your customers coming back

Happy, satisfied customers are essential to the health of every business. Increased competition, online review opportunities, and unlimited access to information up the ante on the importance of quality customer service. Here are some tips to help your business thrive by meeting and exceeding your customers' expectations:

- 1. Truly understand your customer and their needs.** As best you can, put yourself in your customers' shoes and hone in on the needs they are trying to meet with your product or service. Understanding their core needs will help you with delivery timelines and provide a clear picture of what it will take to ensure they are satisfied enough to come back.
- 2. Communicate, communicate, communicate.** Keeping your customers from feeling like they're in the dark is imperative to their satisfaction. Be proactive in your communication. The more forms of communication, the better — phone calls, text, emails and social

media messages. Even if everything is going according to schedule, regular "progress" messages will help them feel at ease.

- 3. Go the extra mile.** Put in the extra effort to go above and beyond what your customers are expecting. At the end of the day, you want your customers to feel like they get what they pay for, and more. If a problem arises with the product or service, show them you care by prioritizing and rectifying the situation. If at all possible, consider adding something of value to leave a positive impression.
- 4. Add a personal touch and be authentic.** In a world of social media bots, augmented reality and alternative facts, authenticity goes a long way. Showing your customer you care builds trust and loyalty that leads to repeat business and referrals. Birthday greetings, holiday cards and customer appreciation events can show your customers they mean more to you than just revenue. ♦

# Ideas for raising a financially savvy child

If you have children (or grandchildren), you have an opportunity to give them a jump-start on their journey to becoming financially responsible adults. While teaching your child about money and finances is easier when you start early, it's never too late to impart your wisdom. Here are some age-relevant suggestions to help develop a financially savvy young adult:

## ➤ Preschool

Start by using bills and coins to teach them what the value of each is worth. Even if you don't get into the exact values, explain that a quarter is worth more than a dime and a dollar is worth more than a quarter. From there, explain that buying things at the store comes down to a choice based on how much money you have (you can't buy every toy you see!). Also, get them a piggy bank to start saving coins and small bills.

## ➤ Grade school

Consider starting an allowance and developing a simple spending plan. Teach them how to read price tags and do comparison-shopping. Open a savings account to replace the piggy bank and teach them about interest and the importance of regular saving. Have them participate in family financial discussions about major purchases, vacations and other simple money decisions.

## ➤ Middle school

Start connecting work with earning money. Start simple with babysitting, mowing lawns or walking dogs. Open a checking account and transition the simple spending plan into a budget to save funds to make larger purchases. If you have not already done so, it is a good time to introduce the importance of donating money to a church or charity.

## ➤ High school

Explain the job application and interview process. Work with them to get a part-time job to start building work experience. Add additional expense responsibility by transferring direct responsibility for things like gas, lunches and expenses for going out with friends. Introduce investing by explaining stocks, mutual funds, CDs and

IRAs. Talk about financial mistakes and how to deal with them when they happen — try to use some of your real-life examples. If college is the goal after high school, include them in the financial planning decisions.

## ➤ College

Teach them about borrowing money and all its future implications. Explain how credit cards can be a good companion to a budget, but warn of the dangers of mismanagement or not paying the bill in full each month. Discuss the importance of their credit score and how it affects future plans like buying a house. Talk about retirement savings and the importance of building their retirement account.

Knowing about money — how to earn it, use it, invest it and share it — is a valuable life skill. Simply talking with your children about its importance is often not enough.

Find simple, age-specific ways to build their financial IQ. A financially savvy child will hopefully lead to a financially wise adult. ♦

