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**JUNE ISSUE**

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**Tidy Up Your Finances**

**Latest Scam Involves Bogus  
“Federal Student Tax”**



The Internal Revenue Service issued a warning to taxpayers about phone calls from IRS impersonators demanding payment for a non-existent tax called the “Federal Student Tax.”

In this newest twist, scammers target students since their lack of experience makes them susceptible. They demand students to wire money immediately. If the victim does not fall quickly enough for this fake “federal student tax”, the scammer threatens to report the student to the police.

Scam artists frequently masquerade as being from the IRS, a tax company and sometimes even a state revenue department.

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We can find satisfaction and reduce stress by getting rid of the clutter and reorganizing our homes, but that also goes for our finances. An organized financial life is a gift to yourself and your loved ones. Here’s a quick guide to tidying up.

**Use the same system on both desktops.** One factor that makes your financial life complicated is that it runs on two tracks: paper and electronic. You may receive bills in the mail, but pay them electronically. Or maybe you receive some brokerage statements via e-mail and other statements via snail mail. The key to keeping this organized is to have filing systems that mirror each other.

**Know what to keep and what to toss.** You should save tax related documents for at least three years. Keep anything tax related that reflects a loss for seven years. For insurance policies, get rid of the old versions when new ones arrive. Keep receipts for transactions until you get the monthly bank and credit card statements that reflect them. Then keep the monthly statements until you get the year-end reconciliation.

**Gather your tax documents year-round.** Grab a three-ring binder with pockets and use it to house all the tax material you get during the year, such as 1099s, acknowledgments of charitable contributions and proof of estimated taxes. For electronic records, print them out and put them into the binder. The payoff will be having all of your tax information ready when you meet with your tax preparer in 2017.†

Contact our office for more information. †



Latest Scam Involves Bogus “Federal Student Tax”...*continued from page 1*

Many scammers use threats to intimidate and bully people into paying a tax bill. They may even threaten to arrest, deport or revoke the driver’s license of their victim if they don’t get the money.

Some examples of the varied tactics seen this year are:

- ◆ Soliciting W-2 information from payroll and human resources professionals.
- ◆ “Verifying” tax return information over the phone.
- ◆ Pretending to be from the tax preparation industry.

The IRS urges taxpayers to stay vigilant against these calls and to know the telltale signs of a scam demanding payment.

#### **The IRS Will Never:**

- ◆ Call to demand immediate payment over the phone, nor will the agency call about taxes owed without first having mailed you a bill.
- ◆ Demand that you pay taxes without giving you the opportunity to question or appeal the amount they say you owe.
- ◆ Require you to use a specific payment method for your taxes, such as a prepaid debit card.†

Contact Marcia if you have any questions.†

## **Getting Advance Payments Of The Premium Tax Credit? Remember To Report Changes In Circumstances**

If you purchased 2016 health care coverage through the Health Insurance Marketplace, you may have chosen to have advance payments of the premium tax credit paid to your insurance company to lower your monthly premiums. If this is the case, it’s important to let your Marketplace know about significant life events, known as changes in circumstances.

Reporting the changes will help you avoid getting too much or too little advance payment of the premium tax credit. Getting too little could mean missing out on premium assistance to reduce your monthly premiums. Getting too much means you may owe additional money or get a smaller refund when you file your taxes. If your income for the year turns out to be too high to receive the premium tax credit, you will have to repay all of the payments that were made on your behalf, with no limitation.

Changes in circumstances that you should report to the Marketplace include:

- ◆ An increase or decrease in your income
- ◆ Marriage or divorce
- ◆ The birth or adoption of a child
- ◆ Starting a job with health insurance
- ◆ Gaining or losing your eligibility for other health care coverage
- ◆ Changing your residence

Changes in circumstances may qualify you for a special enrollment period to change or get insurance through the Marketplace. In most cases, if you qualify for the special enrollment period, you will have sixty days to enroll following the change in circumstances. †

Contact our office if you need assistance. †