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## JUNE ISSUE

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### 7 Tips for Preparing Your Taxes in a Divorce

### 5 Great Memory Games for Adults

Taxes are understandably low on the list of things people worry about when they're getting divorced, but ignoring Uncle Sam can be an expensive mistake. Here are seven things the pros say you should do right away to avoid a tax surprise.

**1. Check the calendar:** For tax purposes, your marriage status on Dec. 31st is usually your marriage status for the whole year. So if you expect your tax bill to go up after your divorce, and you're not prepared for that yet, consider waiting until Jan. 1 to make things official.

**2. Start gathering account statements:** You'll need them to inventory your assets and liabilities, as well as to determine whose names are on the accounts. You should start creating your own statement of net worth.

**3. Hire pros:** The National Association of Divorce Professionals provides a directory of member lawyers, accountants, real estate agents and other experts who provide services in divorce matters.

**4. Make a plan for the house:** If you're selling the house, it might be better to do it while you're still together. That's because the IRS exempts the first \$500,000 of gains on the sale of a primary home if you're married filing jointly, but for single filers the exemption is only \$250,000.

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Maintaining a strong mind is much like staying in shape. Keeping your mind active involves practicing memory exercises that build your "mental muscles." Utilizing a few easy memory games can help your mind stay sharp over the years. Whether you practice these pastimes alone or incorporate them in a group setting, these intellectually stimulating memory games for adults keep your mind in peak condition.

**1. Crosswords, Sudoku, and Other Newspaper Puzzles:** Get your local newspaper to find a complete section of daily mind teasers that improve your mind. This guaranteed schedule allows you to create a routine crafted around these memory puzzles. Solve them over your morning coffee or take them as an activity while in the waiting room for daily appointments. Incorporating these mind games into your everyday life is an easy way to build a stronger mind. The American Alzheimer's Association endorses Sudoku, and other newspaper puzzles for increasing active brain cells and promoting a healthier mind. Experts found these games improve memory and lower chances for dementia in older adults.

**2. Lumosity:** Lumosity improves cognitive abilities by stimulating different areas of the brain, including parts responsible for problem solving, memory, and attention span. As adults age, the brain begins to lose connections, which can impair memory. Lumosity

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**5. Factor in the tax effects of the kids:** Generally, a parent with whom a child lives at least half of the year and who provides at least half of the child’s support can claim the dependent exemption, as well as the child tax credit and other related deductions and credits if the parent is eligible. The parent might also be able to use the head of household tax filing status, which has its own advantages. There are exceptions, however, so be sure the divorce decree explicitly details everything. Also, be sure there is a signed Form 8332, which tells the IRS what you’ve agreed to on the exemption.

**6. Know the rules for alimony and child support:** In 2018, payments made for child support aren’t tax-deductible, but payments made for alimony are. Likewise, payments received for child support aren’t taxable, but payments received for alimony are. In 2019, the alimony rules change: Payments made for alimony are no longer deductible if the divorce occurs after Dec. 31, 2018, or if an existing divorce is modified to explicitly include this change. Payments received for alimony are no longer taxable. The tax deduction for paying alimony in 2018 can be valuable for people in high tax brackets.

**7. Mind the tax hit when splitting assets:** From a tax perspective, getting \$100,000 cash in a divorce settlement can be very different than getting \$100,000 in stocks. That’s because for the stocks, you might have to pay capital gains tax later on the difference between your basis — typically, what you paid for the shares — and what you sell them for. Similarly, low-basis investments could generate more capital gains taxes than high-basis investments. That could change the way you decide to split up assets. Source: [www.nerdwallet.com](http://www.nerdwallet.com)

Please contact our office for more information. †



**What Our Clients Say About Us**

*“Marcia and her staff are very warm and professional” - DM*

5 Great Memory Games for Adults...Continued From Pg 1

keeps your mind sharp with hundreds of games and puzzles proven to benefit information recollection.

**3. Chess, Checkers, and Backgammon:** According to a study performed by the New England Journal of Medicine, seniors over 75 that engaged in mentally strenuous activities like chess and checkers were less likely to develop signs of dementia compared to adults that did not regularly play. These games encourage your brain to create responsive patterns for strategic moves that lead to victory and ultimately foster memory growth.

**4. Board Games:** Ever struggle to find the right word in conversation? To form a more diverse vocabulary, play Scrabble. Scrabble requires players to dig deep and think abstractly about the letters drawn at every turn. If you need to work on strategy and logical thinking, try playing Risk, a group game about political domination. Monopoly combines several strategic and creative abilities to increase brain function. Board games let you schedule regular game nights with friends to increase your memory retention while also having fun together.

**5. The Grocery List Game:** There are several variations of the grocery list game that improve memory function. This group game involves forming a circle, with the first person starting the game with, “I went to the store and bought...” Each subsequent person adds an item to the end of the sentence, and the object is to remember all items in correct order. The first person that messes up the order or cannot remember an item, loses. This quick and easy game is great to play if you do not have any board games, cards, or other items handy. Source: [www.theclare.com](http://www.theclare.com)

Please contact our office for more information. †



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