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What to Expect When Taking Over Your Elderly Parent's Responsibilities

Six Great Tax Tips for Older Americans

Helping mom or dad with finances brings plenty of emotions to the surface. They may not want to relinquish control to one of their children. Because no matter how old you are, you're still their child! Alternatively, your parents could also just not want to relinquish their privacy to anybody, so you are going to have a difficult time taking over any of their financial responsibilities no matter who you are. Meanwhile, you, as their child, may consider your parent mentally lacking to control their own finances. You may believe you are better prepared to handle your mom or dad's affairs. You just want to take control and "fix it." We get it. This situation happens to many families and can add stress to the lives of everybody involved.

Consider How Your Parents Are Feeling

During this process, your mom or dad may become short-tempered and may refuse to work with you. As CPAs specializing in seniors, we find that this is all normal behavior to expect from your parents. Do not take any of it personally. Your parent is upset with the situation, not necessarily with you. They feel helpless.

How to Deal With These Heightened Emotions

The key to taking over your parent's responsibilities with all these heightened emotions is to listen (a lot!). If you let your parent express his/her opinions,

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Everyone wants to save money on their taxes, and older Americans are no exception. If you're age 50 or older, here are six tax tips that could help you do just that.

1. Standard Deduction for Seniors.

If you and/or your spouse are 65 years old or older and you do not itemize your deductions, you can take advantage of a higher standard deduction amount. There is an additional increase in the standard deduction if either you or your spouse is blind.

2. Credit for the Elderly or Disabled.

If you and/or your spouse are either 65 years or older--or under age 65 years old and are permanently and totally disabled--you **may** be able to take the Credit for Elderly or Disabled. The Credit is based on your age, filing status, and income.

3. Retirement account limits increase.

Once you reach age 50, you are eligible to contribute (and defer paying tax on) up to \$24,500 in 2018. The amount includes the additional \$6,000 "catch up" contribution for employees aged 50 and over who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan.

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What Our Clients Say About Us

“We Love Her!” -KL

What to Expect When Taking Over Your Elderly Parent’s Responsibilities.....*Continued From Pg 1*

you provide them more control over the situation, and you may even discover nuggets of important information you didn’t know before. For instance, say you’re thinking about hiring a caretaker for them. You believe you’ve found the right person, but your mom or dad keeps mentioning, “Debbie.” They probably want you to hire Debbie, so you should take a second look at her resume before moving forward with others.

Empower Your Parents

As the decisions become more important, it is imperative that you continue to make your parents feel like they are in charge. Don’t force your choice(s) on your parent. Instead, empower your parent by offering alternatives and simple solutions. For example, identify two banks. Let your mom or dad pick a favorite. Ask if they would like to sign checks. These decisions may not make a big difference to you, but for them, these steps may have a deeper meaning. Empower them, and they will become more confident in you and give you even more responsibilities.

How to Begin Taking Over Your Parent’s Responsibilities

One way to get legal control over your parent’s responsibilities is by becoming their Power of Attorney (POA). There are many different types of POA’s in California, so it is important that you review this information together with your parent to decide which is best for them. Check with their attorney to see if they have already assigned a POA.

Source: www.mcampbellcpa.com

Please contact our office for more information. †

Six Great Tax Tips for Older Americans... ..*Continued From Pg 1*

4. Early Withdrawal Penalty Eliminated.

If you withdraw money from an IRA account before age 59 1/2 you generally must pay a 10 percent penalty (there are exceptions--call for details); however, once you reach age 59 1/2, there is no longer a penalty for early withdrawal. Furthermore, if you leave or are terminated from your job at age 55 or older (age 50 for public safety employees), you may withdraw money from a 401(k) without penalty--but you still have to pay tax on the additional income. To complicate matters, money withdrawn from an IRA is not exempt from the penalty.

5. Social Security Benefits.

Americans can sign up for social security benefits as early as age 62--or wait to receive full benefits at age 66 or 67 (depending on your full retirement age). For some older Americans however, social security benefits may be taxable. How much of your income is taxed depends on the amount of your benefits plus any other income you receive. Generally, the more income you have coming in, the more likely it is that a portion of your social security benefits will be taxed. Therefore, when preparing your return, it is advisable to be especially careful when calculating the taxable amount of your Social Security.

6. Higher Income Tax Filing Threshold.

Taxpayers who are 65 and older are allowed an income of \$1,600 more than the standard deduction (\$2,600 married filing jointly and both spouses are 65 or older) before they need to file an income tax return. In other words, older taxpayers (age 65 and older) with income of \$13,600 (\$26,600 married filing jointly) or less may not need to file a tax return.

Source: www.brinkersimpson.com/blog

Please contact our office for more information. †

Happy Grandparents’ Day— September 8th

“Being optimistic is like a muscle that gets stronger with use.”

~ Robin Roberts



You can e-mail us at

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