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How to Handle Your Taxes in a Blended Family: Part Two

Who gets to claim the kids' tax credits? And when do they age out of the tax equation? This is part two of an article discussing the following hypothetical case.

A's kids are younger and her mother helps to care for them. There is a child and dependent care credit that may apply for their care. Both parents must have earned income and the expenses must be paid so that the parents can work. The expenses can cover household employees to take care of the child, but that employee needs to be paid wages and payroll taxes would need to be withheld. The employee's name and Social Security Number is required to be reported to the IRS. The credit cannot exceed \$8,000 for two children. The credit may be enough to justify giving A's Mother some wages.

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Fun Fall Activities to Do With Your Grandkids That Boost Healthy Aging

With the arrival of cooler weather, it's not hard to let the mind wander to visions of fall – cozy fires, pumpkin spice, and the jittery excitement of the holidays right around the corner. If you're already making your autumn plans, don't miss these clever ideas for activities to do with your grandkids that will benefit your health, too.

Attend Their Fall Fundraisers

Whether you're donating your time as a volunteer at the fall carnival, or simply taking the grandkids around the fall festival to play games and visit rides, supporting their school will benefit your body and spirit. Giving back has been shown to help alleviate stress and promote positive moods. The naturally aerobic exercise you'll get while chasing the kids as they run around to all the different games and activity booths will do good things for your muscles and joints as well.

Be careful, however, about fall fundraiser foods, as carnivals and festivals are often stocked with fatty, salty, and sugary snacks. They seem like a tasty idea but are an all-around bad choice for your health. Not to mention they can negatively impact existing conditions like diabetes or high blood pressure. When it comes to snacking at the carnival, avoid the funnel cakes and caramel apples; instead, opt for bringing your own healthy snacks like blueberries, whole grain tortilla chips, dried fruit and nuts, or granola bars.

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What Our Clients Say About Us

**We've enjoyed the tax service
that Marcia has provided
over the years. She is very
patient and knowledgeable
and makes tax season that
much easier.**

-TW

How to Handle Your Taxes in a Blended Family: Part Two
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B's child works in the business. If the amount the child earns is over \$12,000, there will need to be an individual tax return prepared for the child. That tax return will then have to be compared to the parent's tax return to see which return would have the biggest benefit of claiming the child as a dependent.

A & B should carefully consider their options, then they should choose whether to file married filing separate tax returns or file a joint return. Normally, a joint return will result in lower tax liability or a bigger refund than two separate returns.

Reasons to file separately would include the fact that each parent wants to keep their tax liability separate. Some other reasons for filing separately could include one spouse owing back taxes, student loan payments, or child support.

Filing separately also has disadvantages. For example, if one individual decides to claim itemized deductions instead of standard deductions, the other individual must also claim itemized deductions—even if it is not advantageous to them. Filing separately also means a higher tax rate than a joint return, fewer tax credits, and other limitations.

Couples getting married, especially those with children, should discuss the tax ramifications and the possible unequal economic effect of filing their tax returns well ahead of time to avoid any surprises.

Source: www.mccampbellcpa.com

Please contact our office for more information.†

Fun Fall Activities to Do With Your Grandkids That Boost Healthy AgingContinued From Pg. 1

Get Crafty

Autumn offers some of the most fun and creative craft inspirations. Maybe it's due to the fall staples of pumpkins, colored leaves and cornucopias, or simply the fun and vibrant Halloween symbols of jack-o-lanterns, cute monsters, bats, cats, and ghosts.

Crafting requires precise hand-eye coordination practice as well as the use of the fine motor skills. It might not even seem like exercise, but crafting activities can play an important role in helping you maintain dexterity well into old age, as well as prevent cognitive decline. Exercising our fine motor skills has been shown to help reinforce critical communication pathways in the brain.

Go On a Hike

As the leaves start to change, soak up the beautiful fall colors by going on an inspired hike with your grandkids. Hiking is one of the best low-impact activities in which older adults should take part.

It is a great way to strengthen muscles and bones, work out the heart, and exercise balance and coordination skills. When hiking with your family this fall, don't forget to do the following:

- **Wear Layers**
- **Stay Hydrated**
- **Protect Yourself from the Sun**
- **Take a Map**
- **Wear Good Shoes**
- **Take Pictures**

Sign Up for a Charity Walk

Do something good for your health *and* for your community by signing up for a charity walkathon or other athletic event with your grandkids this fall. In addition to getting exercise, you can help raise money for a cause you care about.

Source: www.sixtyandme.com

Please contact our office for more information.†



“Make your life a masterpiece; imagine no limitations on what you can be, have or do.”
~ Brian Tracy



You can e-mail us at

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