

Customized Senior Services
to Maintain Lifestyle
& Financial
Independence

Marcia L. Campbell, CPA

A PROFESSIONAL CORPORATION

Specializing in Elder Care,
Trusts & Estates,
Taxes & Small
Business

Certified Senior Advisor (CSA)[®] ♦ Elder Care Professional ♦ Accredited Estate Planner (AEP)

Volume 17, Issue 01

January 7, 2022

JANUARY ISSUE

Inside This Issue:

How to Claim Your Recovery Rebate Credit on Your 2021 Taxes 1-2

How soon Should I Set Up Power of Attorney in California? 1-2

What Our Clients Say About Us 1



How to Claim your Recovery Rebate Credit on your 2021 Taxes

Individuals who didn't qualify for the third Economic Impact Payments or did not receive the full amount (\$1,400) may be eligible for the Recovery Rebate Credit based on their 2021 tax situation. The fastest way for you to get your tax refund that will include your Recovery Rebate Credit is by filing electronically and choosing direct deposit.

If you received the full amount for your third Economic Impact Payment, you won't include any information about it when you file your 2021 tax return.

If you're eligible and you didn't get the full amount of the third Economic Impact Payment, you'll need to file a 2021 tax return even if you don't usually file, to claim the Recovery Rebate Credit .

File an accurate return to avoid processing delays that slow your refund. You will need the amount of the third Economic Impact Payment and any Plus-Up

Continued on next page

What Our Clients Say About Us

“The Marcia L. Campbell team was responsive to our needs and questions. They were attentive to details, clear on instructions, and always willing to help with our financial concerns.”

–WV

How Soon Should I Set Up Power of Attorney in California?

A power of attorney can be set up for anyone regardless of age. However, most conversations about assigning a power of attorney happen in the sunset stage of life. If you are considering this option for yourself now or in the future, you should determine a few things first. Learn more about this responsibility and how soon you should consider setting up this legal document.

Do I Need a Power of Attorney?

A power of attorney (POA) can be helpful if you won't be able to manage yourself or your affairs for much longer, or simply want to plan ahead in the event you are incapacitated. Declining health or challenges with financial management are the most common reasons for a person to seek a power of attorney.

If you've determined that you need or want to designate a power of attorney, ensure that it is someone you can trust to handle your affairs in your best interests. Financial elder abuse can also be an unexpected issue for seniors.

What Forms Do I Need?

First, you must decide which type of POA fits your wishes. Below you will find a bulleted list of different types of power of attorney you can have in the Golden State.

Types of Power of Attorney in California:

- **Durable** – Financial only. Remains in effect until the death of the principal or until the document is revoked.

Continued on next page

How to Claim Your Recovery Rebate Credit on Your 2021 Taxes
Continued From Pg. 1

Payments you received to calculate your 2021 Recovery Rebate Credit amount using the 2021 RRC Worksheet or tax preparation software. Plus-Up Payments are **additional payments for people who received the third stimulus check using their 2019 tax return.** If they became eligible to receive more money due to changes in their 2020 tax return, then they are eligible to receive the difference as a tax deduction.

In early 2022, the IRS will send out Letter 6475 to provide the total amount of the third Economic Impact Payment and any Plus-Up payments that you received. You need to keep this and any other IRS letters you received about your stimulus payments with your tax records and refer to them when you file. Or you can log in to your online account to securely access your Economic Impact Payment amounts.

Remember, only eligible individuals who did not qualify for a third Economic Impact Payment or did not receive the full amount should claim the Recovery Rebate Credit on a 2021 tax return. Do not include amounts of earlier missing first or second stimulus payments on your 2021 return.

Source: <https://www.irs.gov/individuals/steps-to-take-now-to-get-a-jump-on-next-years-taxes>

Please contact our office for more information. †

How Soon Should I Set Up Power of Attorney in California?
Continued From Pg.1

- o **General** – This type of power of attorney is non-durable which means that it only remains in effect while the principal is alive, and not incapacitated.
- o **Guardianship** (also referred to as parental POA) – A short-term guardian for one or more minor children. This covers the child(ren)’s education, health, and everyday care.
- o **Limited** (known as a “specific” power of attorney) – allows a resident of the state to designate an agent to take care of a *specific* financial matter on their behalf. The matter can be as small as picking up a car to as big as selling or buying real estate.
- o **Medical** (or “Advance Directive”) – Health care decision-making when the parent may not be able to represent themselves.
- o **Tax** – Used to allow someone else (mostly accountants) to handle another’s federal and state income tax filing.
- o **Vehicle** (also referred to as DMV Form REG-260) – permits an owner of a vehicle or vessel located in California to choose an agent to handle a transfer of ownership.

How Do I Set Up a Power of Attorney?

Once you’ve collected the correct forms and have designated your POA, your first step is to print out the forms, fill them out, and keep them handy. Avoid jumping the gun and signing documents immediately, as these forms are void if filled out in the absence of a notary.

The next step is to schedule a visit to the notary’s office. Before you head out the door, ensure that you have your forms of identification. A notary must be present to sign and witness you sign documents so they are valid. Once signed and notarized, create copies for yourself, the attorney in effect.

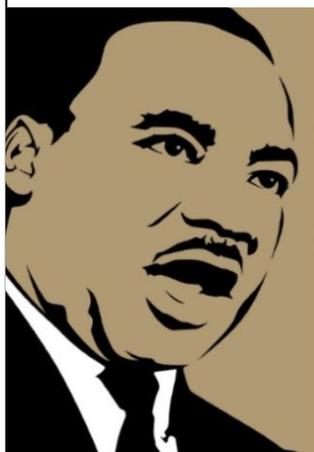
Consider seeing an attorney for help in setting up a power of attorney for the following reasons: you have a large estate, family members are fighting over who should take financial control, or you want a comfort level that it is being done correctly.

Source: www.mcampbellcpa.com

Please contact our office for more information. †

“If I cannot do great things, I can do small things in a great way.”

~ Martin Luther King Jr.



Martin Luther King Jr. Day

January 18th 2022



You can e-mail us at Lilly@MCampbellCPA.com to receive your newsletter by e-mail!