

## Important Tax Deadline

Individuals with interests in or signature or other authority over one or more bank, securities or other financial accounts in a foreign country may need to file an FBAR by June 30.

## Five Simple Tips to Lower Your Tax Bill



You've filed or extended your 2014 tax return and now it's time to plan for next tax season. Here are five simple tax planning tips for 2015.

1. Check your withholding. If you owed money in 2014 and weren't self-employed, chances are that you might not be withholding enough tax from your paycheck. On the other hand, if your refund was more than a thousand dollars, you probably are withholding too much and could be getting a larger take-home check every week. Your employer withholds tax based on the information you've provided on your Form W-4. The more allowances you claim on Line 5, the less tax your employer withholds. The fewer exemptions you claim, the more tax is withheld.
2. Increase your retirement contributions. Money you contribute to your 401(k), 403, or SIMPLE account reduces your taxable income, which in turn reduces your tax bill. Some employers will even match contributions to a certain extent. That doesn't mean you should only

contribute up to the match. Investing early unleashes the power of compounding interest.

3. Make HSA contributions. If you have a high-deductible health plan, make HSA contributions through your paycheck to reduce your taxable income. Paycheck contributions (through a cafeteria or 125 plan) also reduce the amount of wages subject to FICA tax. This is great double benefit. You can make contributions outside of work, but they will only reduce your income tax.
4. Know your tax bracket. Do you know how much of your income was taxed at 10, 15 or 20 percent? The U.S. has a progressive tax system, meaning that your income is separated into brackets and each bracket is taxed at that percent. There is no gradual increase. Once you reach the edge of the 15 percent bracket, for example, an additional dollar of income goes from being taxed at 15 percent to 25 percent. Your taxable income is reported on Line 43 of Form 1040.
5. Have a plan and seek advice. Unless you are Marty McFly, you can't go back in time. Feel free to schedule a phone call with me to discuss the tax consequences of any big financial decisions you plan on making.

## Did You Know?

The most misused SSN of all time was (078-05-1120). In 1938, the wallet manufacturer E. H. Ferree in Lockport, New York, decided to promote its product by showing how a social security card would fit into its wallets. The company's Vice President thought it would be a clever idea to use the actual SSN of his secretary, Mrs. Hilda Schrader Witcher. In the peak year of 1943, 5,755 people were using Hilda's number.



## Quote Corner

"Summer is a promissory note signed in June, its long days spent and gone before you know it, and due to be repaid next January."

~Hal Borland