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The 2015 Tax Season is Here!

Send Your 2015 Tax Information to PPG Partners
Please return your tax organizers with supporting documents (Social Security statements, 1099s, bank/account statements, charitable donation receipts, etc.) to PPG Partners if you have not yet done so. You don't have to wait to send in your information if you are still waiting on a couple of pieces of information – we can complete the majority of your tax return without them.

Maintain Tax Return Documents for 3+ Years
Even if your 2015 tax returns were accepted, don't throw out your documents just yet. Maintaining well-organized records will help provide answers if the IRS needs to follow-up with you for more information. You will want to keep the documents used to prepare your tax return for a minimum of three years (generally, the statute of limitations for the IRS to assess taxes on a taxpayer expires three years from the due date of the return or the date on which it was filed, whichever is later). This documentation now also includes your healthcare documents, such as records of any employer-provided coverage, premiums paid, the type of coverage, and Forms 1095.

Be Aware of Tax Scams

The IRS recently warned it has seen a **400 percent increase** in email phishing and malware incidents this tax season aimed at both taxpayers and tax professionals.

The emails are designed to trick taxpayers into thinking they are official communications from the IRS or others in the tax industry, including tax software companies. The phishing schemes can ask taxpayers about a wide range of topics. E-mails can seek information related to refunds, filing status, confirming personal information, ordering transcripts and verifying PIN information. The communications are being reported in every section of the country.

If you receive an unsolicited email that appears to be from either the IRS e-services portal or an organization closely linked to the IRS, report it by sending it to phishing@irs.gov.

Remember that the IRS does not initiate contact with taxpayers by email, text messages or social media channels to request personal or financial information. This includes requests for personal identification information, PIN numbers, passwords or similar access information for credit cards, banks or other financial accounts.

Additionally:

- The IRS will never call you on the phone to demand immediate payment.
- The IRS will never call about taxes owed without first mailing you a notice.
- The IRS will never demand that you pay taxes without giving you the opportunity to question or appeal the amount the agency says you owe.
- The IRS will never require you to use a specific payment method for your taxes, such as a prepaid debit card.
- The IRS will never ask for credit card or debit card numbers over the phone.
- The IRS will never threaten to have you arrested for not paying.

The 5 Biggest Retirement Planning Mistakes You Can Avoid

There are some common, yet avoidable mistakes that prevent many people from retiring "on time." But with some planning, you can steer clear of the mistakes that could derail your retirement.

Retirement Planning Mistake #1: Living Too Large

The first question you should ask yourself is, "how much income do I need to maintain my current lifestyle in retirement?" For the vast majority the answer is, "I don't know," or you've made an inaccurate assumption. If the assumption is too high, the goal of retirement may seem absolutely unattainable, and the entire planning process is discouraging. If the assumption is too low, which is most often the case, the retiree could run into a difficult financial situation later in life and have to make drastic, unwanted changes. The general rule of thumb is to figure that you will need approximately 80% of your current annual income in retirement. This is quite a generality. However, most people do underestimate how much money they will need in retirement.

Keep in mind that retirees spend more on travel, entertainment and eating out especially earlier on in retirement when they have the time and good health to enjoy those activities. In their later years, health care cost can escalate.

Retirement Planning Mistake #2: Disregarding Higher Health Care Costs

One of the most overlooked areas of retirement planning is estimating what health care costs could be in retirement, and including this in the calculation of income needs. Fidelity estimated that a 65-year-old married couple that retired in 2012 will incur an average of $240,000 in healthcare costs alone in retirement. By overlooking this large potential outlay, retirees could feel strapped for cash in their most vulnerable years.

Often, people assume Medicare will cover these expenses in retirement but this simply is not true. Medicare costs to retirees are rising each year so it's important to know what to expect.

Retirement Planning Mistake #3: No Long-Term Care Plan

Anyone who has cared for an aging parent knows first-hand the toll it can take on their loved ones and their savings. Both the time and money needed to provide quality care can be staggering. According to the US Department of Health, 70% of people over 65 will require care at some point in their lives. Given that 50% of claims last more than one year and medical costs are projected to continue rising faster than inflation, these costs adds up quickly. It's important to know your long-term care options and how you plan to pay for these future expenses if you need to.

Retirement Planning Mistake #4: Not Saving Enough Then and Now

Don't wait to start saving for retirement. The sooner you get started, the greater your chance of reaching your retirement goal because compound interest can work its magic. To quote Einstein, "Compound interest is the eighth wonder of the world. He who understands it, earns it … he who doesn't … pays it."

So here's how the math works: To have $1 million at age 65, a 25-year-old needs to save $345 per month for 20 years then never save another cent, assuming the investments earn 8% per year over those 40 years. A 45-year-old would need to save $1,698 per month for the next 20 years to reach the same goal. Those savings goals may be out of reach for both the younger and older person. The key is to make saving for retirement a priority and start saving some amount each month.

Retirement Planning Mistake #5: Not Updating Your Retirement Plan

Markets rise and fall, as do levels of income and expenses, so it is important that your retirement plan be revisited every few years to take this into account. If your last retirement plan was done five years ago, prior to your second child being born, your spouse's promotion, and your mother moving in, chances are your retirement plan is based on a lifestyle that is no longer relevant. You should revisit your plan every 3 to 5 years, or as your life changes with a marriage or children, so adjustments can be made accordingly. By making these adjustments often, you'll stay on track for a better retirement.