

## BUSINESS AND TAX PLANNING IDEAS & TIPS

MARCH 2015

### The 2014 Tax Season is Here!

#### Send Your 2014 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 2014 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). Starting with your 2014 return, this documentation now also includes your healthcare documents, such as records of any employer-provided coverage, premiums paid, the type of coverage, and 1095-As.

#### Pay Your Individual Taxes Online with IRS Direct Pay

Owe individual taxes or plan on making quarterly estimated tax payments this year? IRS Direct Pay is a free, quick, and easy online tool that allows individuals to securely pay their income tax or tax estimates directly from checking or savings accounts. There are no fees or pre-registration, and bank account information is not retained in IRS systems after payments are made. Payments can be scheduled up to 30 days in advance. Direct Pay is available 24 hours a day, seven days a week. Taxpayers who use the tool will receive instant confirmation that their payment was submitted. Direct Pay is accessible at [IRS.gov/directpay](http://IRS.gov/directpay).

### Web-based “my Social Security” Accounts

You probably plan to receive Social Security benefits someday, or perhaps you already do. Either way, you can create a *my* Social Security account to:

- Keep track of your earnings and verify them every year;
- Get an estimate of your future benefits if you are still working;
- Get a letter with proof of your benefits if you currently receive them; and
- Manage your benefits:
  - Change your address;
  - Start or change your direct deposit; and
  - Get a replacement SSA-1099 or SSA-1042S for tax season.

Create or sign into your *my* Social Security account at [www.socialsecurity.gov/myaccount](http://www.socialsecurity.gov/myaccount)

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## How to Decide on a Roth or Traditional IRA

(www.marketwatch.com) It's that time of the year when people are thinking about their taxes. One decision many taxpayers will face is whether it makes sense to fund an IRA. If you don't have an IRA established yet, you need to be aware that there are two types — the traditional IRA and the Roth IRA. You'll have to do some calculating to determine which one is best for your situation.

The contribution limits are the same for both types of accounts: \$5,500, or \$6,500 if you're over the age of 50 for the 2015 tax year. The main difference between the two is the way they're taxed. With the traditional IRA, contributions are deducted from your taxable income. Lowering your adjusted gross income could help you qualify for other tax benefits like child tax credits or student loan interest deductions. Earnings within the IRA account grow tax deferred until it is time to withdraw them. Funds withdrawn from a traditional IRA are subject to ordinary income tax.

Contributions made to a Roth IRA are not tax deductible, but the funds are free from taxation after that, so your account can grow and be distributed to you in the future tax free. There are income limits to be eligible for a Roth: \$129,000 for singles and \$191,000 for married couples. For the traditional IRA, anyone with earned income can contribute but the tax deductibility is based on income limits and participation in an employer sponsored plan.

With the traditional IRA distributions must begin at age 70 ½, but with the Roth you can leave the money in the tax sheltered account as long as you wish. Roth IRAs are typically far superior for wealth transfer purposes since distributions aren't mandatory during your lifetime and the beneficiaries' distributions won't be subject to income tax. There are different rules for inherited spousal IRAs than for IRAs that are inherited from non-spouses, like parents or grandparents.

One consideration is what your future tax rate will be. It's impossible to know exactly what tax bracket you'll be in so you'll have to estimate. Also, Congress can change the laws at any time, so you have to be prepared for changes in tax policy in the future.

## What to Look For in New Hires

(www.theopticalvisionsite.com) A new optical or dental employee is a big investment and knowing when you have found the right candidate is vital and one of the most important aspects of Human Resource responsibilities. This means more than following your instincts; supervisors need to know what important criteria to look for in new hires. The following are red flags to be aware of when recruiting new employees:

- 1. Flexibility.** For most jobs, you don't want a rigid person who can only do things one way. You want someone who is capable of blending in and being open to how things operate within the practice.
- 2. Dependability.** This may not be the world's most exciting trait, but it surely is a useful one. This optical or dental employee shows up on time, meets deadlines, performs well and doesn't make excuses when something goes wrong.
- 3. Loyalty.** You aren't interested in an employee who is going to move on to another practice in six months. Someone who may appear too good to be true or who has been switching jobs for a couple of years may not be a good pick.
- 4. Energy.** It's a good idea to bring in an employee with obvious energy to add to your team. Enthusiasm is contagious and pretty soon you will find all of your employees, as well as the new staffer, working at enhanced levels of productivity.