

Important Tax Reminders

- If you are a participant in an HDHP, your status—family or self-only—on December 1 can be your status for the entire year!
- As the end of the year approaches, you may be making more charitable gifts. Keep track of your donations, so you have this information for your taxes. An easy way to track your donations is through the use of an app, such as TaxPocket.

Tax Checkup



Do you know how much your taxes are going to be next year? Does your refund or balance due always take you by surprise? Following are a few steps you can take to get the best result for your situation:

- **Change your adjusted gross income (AGI).** By contributing to an IRA or HSA with after-tax dollars, you may be able to decrease your AGI so that you can qualify for certain credits.
- **Change your withholding.** On your W-4, you can change the number of exemptions you claim to increase or decrease your withholding, or you can withhold extra amounts to manage your refund or balance due.

- **Make an estimated tax payment.** You can incur underpayment penalties and interest if your balance due is \$1,000 or more. If you anticipate that your total balance due is at least \$1,000, you can make an estimated tax payment before January 15 to minimize or eliminate penalties and interest.
- **Change the timing on your charitable gifts.** Your itemized deductions may be about the same as your standard deduction. By either bunching gifts before the end of the year or waiting until after January 1, you can maximize your benefit from those contributions.

For example, June and Ward generally have \$10,800 in itemized deductions other than charitable gifts. They usually make donations of \$2,000 at the end of the year. If they make these donations in 2017, they will have itemized deductions of \$12,800 in 2017, and \$12,800 in 2018. If they make the donations in 2018, their standard deduction in 2017 is \$12,700, and their itemized deduction in 2018 is \$14,800.

Why is this important? By managing your refund or balance due, you can avoid penalties for underpayment while keeping as much of your paycheck in your pocket as possible.

Did You Know?

The top three most charitable states in 2016 were Utah, Minnesota and North Dakota.



Quote Corner

"It does not matter how slowly you go as long as you do not stop."

~Confucius