



THE DOLLAR CHASE

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TAXES ARE AROUND THE CORNER.....

So we have a small window of time to visit yet this year, what you want to take care of for your 2021 taxes... Something on the list that is a common problem is properly withholding so you avoid incurring a penalty. We all know that the IRS wants the taxes on any income, be it rental, portfolio, capital gains from a property sale, for example, in the quarter the income was paid. Sometimes we get behind on that or forget until we file our taxes the following year and run into a penalty. A little known secret is that the IRS treats WITHHELD taxes, at any point in the year—so from now to December 31st—as being credited/paid evenly throughout the year. This is a way to have taxes credited for the whole year, but withheld from your paycheck from now to December if you increase your withholding; or if you take a distribution or income from an IRA, over-withhold taxes and you'll get the credit as if you paid in evenly all year, including covering those capital gains, or other income distributions that no taxes were withheld on. Very nice loophole! If you have any questions on tax withholding discussed here please reach out to us or your tax person.

HALLOWEEN COSTUME CONTEST!

Email us pictures of your Halloween costume, and you'll be entered into our Costume Contest! Grand prize is a \$25 Amazon gift card. Prizes for 2nd and 3rd, as well!

OFFICE TID-BITS!

Highlights of our staff and families outside the office...

Jill's daughter, Hayley, made the playoffs in soccer for Belhaven University in Jackson, MS. Regina's son, Nolan, had an undefeated flag football season. Lynae's son, Justin, had an undefeated high school JV soccer season.

SOCIAL SECURITY- KEEP TABS ON YOUR EARNINGS

Historically, about 10% of the W-2s that Social Security receives each year from employers have mismatched names and Social Security numbers. The agency says typos, unreported name changes and inaccurate or incomplete employer records are often to blame. Because Social Security benefits are based on each individual's 35 highest earning years, the agency strongly recommends that workers review their personal earnings records and submit any corrections online by creating a "my Social Security" account at ssa.gov/myaccount.



FREE MONEY FOR COLLEGE!

If you are a parent using one of the Colorado 529s to save for the college expenses of a child 8 years old or younger, get ready for FREE MONEY! CollegeInvest has a great program that matches up to \$1,000 a year for up to 5 years in your 529 Savings account. To explore the Matching Grant Program please use website - <https://www.collegeinvest.org/matching-grant-program/>. You must be a Colorado resident that is the parent of the student, and there are income limits, but the rest is pretty simple. *If you are a grandparent and want to contribute, you can gift the money to your child to fund for your grandchild. To apply for the program, the website is <https://matchinggrant.collegeinvest.org/>. Feel free to give us a call with any questions.

YOU CAN APPEAL A HIGH MEDICARE PREMIUM

If you have a Part B and Part D premium that you think is unjustified, you can ask Social Security to revisit that decision and perhaps reduce the cost.

Premiums for Medicare Part B and Part D—coverage for doctor's visits and prescription drugs, respectively—are based on your modified adjusted gross income from two years earlier. To determine your 2021 Medicare premium, Social Security uses your 2019 tax return. In those two years, however, your life can change in ways your 2019 tax return and current Medicare premium don't reflect. Sometimes, those changes are enough to convince Social Security that your Medicare premium should be reduced.

Part B's standard monthly premium in 2021 is \$148.50 for individuals earning \$88,000 or less and joint filers earning \$176,000 or less. Anyone whose income exceeds those thresholds pays a higher premium.

In some circumstances, Social Security will recalculate your premiums—known as a redetermination—for Part B and Part D. There are seven "life-changing events" that qualify for a redetermination if they hurt your income: marriage, death of a spouse, divorce or annulment, reduced work hours or retirement, loss of income-producing property, the loss or reduction of some types of pension income, and an employer settlement payment because the company went bankrupt or reorganized. The loss of income-producing property only counts as a qualifying event if it was "not at your direction." Selling a piece of property doesn't count.

What doesn't count is a one-time windfall. For instance, a Medicare beneficiary whose income jumps significantly one year from selling a home, does not qualify for an appeal and will have to pay the higher premium. That's also true for people who take their first two required minimum distributions (RMD) in the same year. If that temporary spike in income from RMDs triggers a higher premium two years later, you're stuck paying it.

To ask for a redetermination, complete Form SSA-44 (ssa.gov/forms/ssa-44-ext.pdf) and include supporting documents, such as the death certificate for a spouse or a letter from a former employer stating that you are now retired. If you filed your federal income tax return for the year that your income was reduced, you will also need to provide a signed copy. A decision usually takes a few weeks.



THE PERSONAL BENEFIT FINANCIAL AND ROUNTREE & ASSOCIATES FAMILY

~ SHARLA, ERIC, RON, MELISSA, ED, REGINA, JILL, LYNAA, KAREN, BRYAN AND KC ~

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