



HONECK ·
O'TOOLE

...where people count

1st Quarter 2016

NAVIGATING THE FINANCIAL SECURITY OF AGING PARENTS

The Baby Boom is booming right into a new era: caring for aging parents. If you're in this boomer group, we encourage you to talk with your parents now to make sure everyone's on board with managing their finances when it becomes necessary. In other words, silence could be costly for them and you.

Now, the idea of discussing financial decisions with your parents may be "prickly" at best. You'll want to approach the subject as an offer to help, NOT to take control. Just like handing over the car keys for a final time, seniors are sensitive about relinquishing control over their financial, legal and medical matters.

If you have siblings, try and work together on a planned approach. In some families, it's common to share and even witness wills, living wills, advance directives and other specific documents in case anything should happen. This would be a great way to open the door for parents to share their information, too. Or, if you're struggling to bring up the subject, enlist the help of a third-party senior care professional. (See page 4 for our related Client Profile.)

Here are some of the top financial issues we recommend discussing with your aging or elderly parents. These are also issues we can all review for ourselves.

The Basics

Prepare a list of your parent(s) accounts and financial relationships as well as doctor names, lawyer(s), etc. Gather, as much as possible:

- Location of financial records, tax returns, stocks and other paperwork
- Location of a safety deposit box and key (if they have one)
- Bank name(s) and account numbers
- Retirement account(s) information
- Investment firm(s)
- Accounting firm

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revenue

Ideas to help small businesses and individuals maximize income while minimizing taxes.

HAPPY TAX SEASON!

The early bird catches the tax deadline.

Please send us your Tax Organizer and supporting documents as soon as possible! Our team is ready to tackle the many new tax laws and tax forms, but we need your help to get everything done on time. We appreciate your assistance! *Thank you.*

Individual Returns:

We need ALL your information by March 17, 2016 to file your return by this year's deadline of **April 18, 2016**. (Maine and Massachusetts may have an extra day but we want everyone filed by the 18th.)

- Send all missing items (for the returns received by March 17th) before April 11th at the latest.
- If you're unable to meet these deadlines, we can file an extension for you until October 15th, 2016. Remember though, while this gives you more time to file, any IRS and state tax balances due still must be mailed on or before April 18. We can help you estimate the amounts.

Business Returns:

- We need your business entity information by **February 15, 2016** to file the return on time.
- Or, we can extend until September 15, 2016. Sooner is always better!

IMPORTANT! We are required to file all returns electronically. When we send your return to you, please sign and return the included authorization Form 8879 as soon as possible — **no later than 5:00 PM on Wednesday, April 13, 2016 — so we can eFile your return before Monday, April 18**. Email the signed form (PDF or photo) to info@honeckotoole.com or fax it to 207-773-2047. **Please don't wait until April 18th to return the authorization form.**

GOT YOUR 2015 TAX YEAR ORGANIZER?

By now, you should have received your annual Tax Organizer in the mail.

Most clients received the short version at their request, but if you'd like the longer version or you didn't receive your Organizer yet, please call or email us right away: **207-774-0882** or info@honeckotoole.com.

- Lawyer's name(s)
- Primary care doctor and medical office; specialists as well
- Insurance companies (health, dental, life, auto, etc.)
- Financial fraud/security company account (such as LifeLock)
- All account websites and passwords (NOTE: In this age of online transactions, it's important to collect website passwords from your parents in case anything should happen and you need to access their accounts.)

Estate Planning

Do you know if your parents have a will and estate plan? If they don't, this is definitely the time to establish these important documents to protect their estates and your family. If needed, we can help you set up an estate plan and bring in an attorney to assist as well.

Also make sure your parents' designated beneficiaries are current in their wills, insurance policies, etc.

If your parent(s) agree to a power of attorney, have them complete the official form so you can manage their finances if something should happen and they can't make decisions. We can guide you to resources to help with this, and you'll find additional information in the free

guides provided by the American Bar Association's Commission on Law and Aging: www.americanbar.org/groups/law_aging.html

Fraud Protection

Help your parents understand the facts about elderly financial fraud and how they can protect themselves. They may not believe they're at risk, but recent studies show that seniors are especially vulnerable for financial fraud, losing an average of \$30,000 up to \$100,000 and even more!

At the very least, have them sign up for a fraud-protection service and also use credit cards instead of debit cards for purchases. They should never give out credit card numbers on the phone, and they should contact their bank if contacted by phone or email regarding their accounts.

AARP.org, ElderWeb.com and the FBI (www.fbi.gov/scams-safety/fraud/seniors) have a wealth of information on types of senior fraud and how to protect against it.

Home Care Vs. Assisted Living

Ask your parents about their wishes for when they'll need medical care, personal care and ongoing assistance with daily tasks. Your family may be able to help to a point, but most families find themselves needing professional assistance as more serious medical issues arise.

Some parents will exclaim loudly that they don't want to be a burden and they're open to an assisted living community with other seniors. Others will want to remain at home as long as possible. It would be very good to know these wishes now and also discuss the

financial aspects of each option. For instance, what does home care cost vs. assisted living centers? Do your parents have the funds to cover these costs?

Need Help?

There's much more to discuss on the matter of aging parents. We're here to guide you personally on estate planning and all financial matters when it comes to your parents. Call us at 207-774-0882.

You'll also find useful information on these websites:

- **AARP.org**
- **AgingCare.com**
- **LeadingAge.org**
- **National Association of Area Agencies on Aging (N4A.org)**
- **National Council on Aging (NCOA.org)**



AFFORDABLE CARE ACT (ACA)

TAX FORM REMINDER!

You should have received a new ACA Form 1095-A in January. Please include it when submitting your tax information. This is the Health Insurance Marketplace Statement you'll use to submit Form 8962: Premium Tax Credit (PTC), if applicable to you.



If you didn't have coverage and you need help with the special calculation of modified adjusted gross income to calculate the Individual Shared Responsibility Payment penalty... contact us right away.

Please be aware of these penalties if you didn't have health insurance in 2015.

You'll pay the **higher** of these two amounts:

- **2% of your yearly household income.** Only the amount of income above the tax-filing threshold, about \$10,150 for an individual, is used to calculate the penalty. (The maximum penalty is the national average premium for a Bronze plan.)
- **\$325 per person for the year (\$162.50 per child under 18).** The maximum penalty per family using this method is \$975. (Again the maximum penalty is capped at the national average premium for a Bronze plan.)

DISCLAIMER

Any accounting, business, or tax advice contained in this communication is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties. If desired, Honeck O'Toole would be pleased to perform the requisite research and provide you with a detailed written analysis. Such an engagement may be the subject of a separate engagement letter that would define the scope and limits of the desired consultation services.

Get us your tax information by **MARCH 17** to meet the April 18, 2016 filing deadline!

Questions? During tax season, we're incredibly busy, so it may take a little longer for us to get back to you. We appreciate your patience! *Thank you.*

Phone:
207-774-0882

Email:
info@honeckotoole.com

WELCOME KATHY DEFILIPP

Our New Front Office Manager

We're delighted to announce that Kathy DeFilipp has joined the Honeck O'Toole team. She's our new Front Office Manager, and if you call or email our office for information or to schedule an appointment, Kathy will be standing by to help you.



Kathy comes with vast experience in customer service, operations management, quality control, scheduling and reporting, having worked in management positions at Maine Savings Bank (now TD Bank), JS McCarthy, Westco DoAll Industry Supply and Berkeley Mailings. She's a whiz at Microsoft Office applications as well as social networking. And she's friendly and upbeat, fitting in beautifully with our team.

We know you'll enjoy working with Kathy as much as we do. Be sure to introduce yourself when you talk with her! 📞

NEW MILEAGE RATES FOR 2016

Beginning on January 1, 2016, the IRS standard mileage rates are as follows (reduced in two categories due to low gas prices):

- **\$0.54** for business mileage, down from \$0.575 in 2015
- **\$0.19** for medical and moving mileage, down from \$0.23 in 2015
- **\$0.14** for charitable mileage 📞

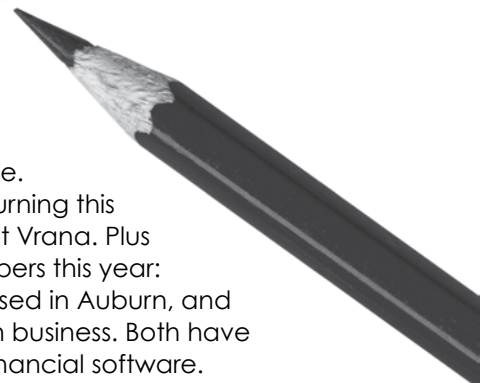
MEET OUR SEASONAL STAFF

To manage our busy tax season each year, we're grateful to welcome a talented group of seasonal professionals to help us process, complete and file nearly 2,000 individual tax returns in a very short time.

We're fortunate to have some of our "regulars" returning this year — including Jerry Yurko, Julie Bennett and Elliot Vrana. Plus we welcome two new seasonal support staff members this year: Albert Bergen and Teresa White. Albert is a CPA based in Auburn, and Teresa is a staff accountant at a local Scarborough business. Both have extensive experience with QuickBooks and other financial software.

We wanted to let you know because one or more of our seasonal staff members may be contacting you with questions about your tax return if needed.

Thanks!



CLIENT PROFILE

BILL JENKS

Home Instead Senior Care

For families helping their aging parents remain at home as long as possible — even with debilitating illnesses such as Alzheimer's, Parkinson's or chronic diabetes — most people assume that home care is or must be provided by nurses and other medical experts. In reality, the majority of home care services are non-medical, and that's where Home Instead Senior Care comes in.

Home Instead provides the personal care side of things, such as companionship visits, personal care (bathing, incontinence, etc.), meals and nutrition, transportation, household duties, hospital discharge transitions, respite care and hospice care support services. Based in Gorham, this company serves Cumberland County with everything from a few hours a week to 24-hour care.

Bill Jenks started the local franchise of Home Instead Senior Care in the year 2000 after personally managing the needs of an aging parent. He told us, *"I know how daunting it is to trust someone to come into your home and take care of your loved ones. We do everything we can to make it less daunting."*

Bill noted that the business is doing very well. He said, *"We're doing fine, more than holding our own. We experienced 18% growth last year after a couple down years. We attribute it to aging demographics in the area. And, our services cost less than an assisted living facility, up to a point. There's a tipping point, of course. But if we can help people live at home safely and comfortably by offering compassionate and professional care, it's much less expensive for the family... and very rewarding as well."* For more information on Home Instead Senior Care services, visit their website www.homeinsteadmaine.com or call **207-839-0441**.



Referrals

**WELCOME AND
APPRECIATED!**

First of all, the team here at Honeck O'Toole wants to thank you for your business. We wouldn't be here without you! We're proud to be your accounting firm and to prepare and file your tax returns each year on your behalf.

We have enjoyed healthy, steady growth over the years, thanks in a huge part to your referrals. We're always open to helping new clients with all their financial needs.

**If you're happy with our services,
we hope you'll refer us.**

Do you know anyone who's ready to give up the "DIY" tax return approach? Anyone who just got married, bought a house, had a child, is about to retire or is changing their financial status in any other way? They may need professional accounting and/or tax assistance, and we're here to help.

We look forward to any referrals you're willing to send our way. Just have them call our office at **207-774-0882** — the sooner, the better before the tax-return season goes into full "crunch mode."

THANK YOU in advance!

Your Honeck O'Toole Team

Questions? During tax season, we're incredibly busy, so it may take a little longer for us to get back to you. We appreciate your patience! Thank you.

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our April 18, 2016 filing deadline!**



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