



## B.E.S.T. Tax Update

Bayview Economic Solutions Team, LLC is proud to provide you with our B.E.S.T. Tax Update.

*We believe...*

**KNOWLEDGE CAN EMPOWER YOU!**

The B.E.S.T. Team is dedicated to providing the information you need to help you make confident decisions.

Let us know how we can best serve you and what information is more important to you. While surveys show that Americans may not always ask for "financial advice," they do seek knowledge. We know an education holds the key to your future success. We have an expansive resource library filled with information that is ready to help answer your questions.

The B.E.S.T. Team professionals are not "tax preparers," they are Certified Financial Planners™ who understand that your tax return affects other important financial goals you have. New laws make it imperative that you plan ahead for your future. While that has always been the case, unfortunately, most people still procrastinate. In fact, more than 60% of baby-boomers do not have important legal documents such as a Power of Attorney or Health Care Proxy. When a crisis occurs, people are very often left with fewer options.

***Crisis Planning is not Good Planning.***

Tax planning is only a part of the financial planning process. We are dedicated to helping you save tax dollars, however, we also want to help you achieve your over-all goals. In our efforts to help you, the B.E.S.T. Team will begin helping people file their own tax returns using the on-line Turbo-tax program as well as offer the professional tax preparation services we have offered for over 30 years. Either way, our goal is to help you see the bigger picture of tax planning while making financial planning services more affordable to our clients.

**THANK YOU FOR YOUR TRUST!**

*Your Financial Independence Starts with making confident decisions.*

**Tax planning includes:**

**Current cash flow**– Your current net cash flow is either reduced or increased by the amount of income taxes you pay each year.



**College Financial Aide**– Parents sending children to college may find tax planning is helpful when applying for financial aide.



**Medicare**– Premiums for Medicare Part B (doctor and lab services) & Part D (prescription drug coverage) are increased for people with higher incomes.



**Medicaid / Long Term Care benefits**– Paying for home care, assisted living or nursing home care is expensive. Your tax return can determine how much you pay for healthcare services—and how much of your assets may be preserved.



**Real Estate Star Programs**– Owning a home on Long Island is costly so saving money on real estate taxes is essential. Your tax return can help you pay less or make you pay more taxes.



**Retirement income**– How much of your Social Security income is taxable is based on other income you receive.



**Estate taxes**– Taxing assets twice is common when considering estate taxes and IRA's or other pension assets. Avoid double taxation if you can.



**New Law Updates**– New laws can affect the way you plan for your future.

DESTINATION: *Security*

**TAX FACTS:**

\* Your Tax Return can determine how much you pay for Healthcare.

\* More middle Americans will spend down assets to afford healthcare.

\* Knowledge can save money

Your Financial Independence Starts with Confident Decisions

**AFFORDING Healthcare, Preserving Assets and Paying Less Taxes... STARTS HERE**



Find out when you can expect your refund,  
Log onto [www.myBestTeam.net](http://www.myBestTeam.net)

**Your Quick Tax Organizer Reference....**

✓ Check it off as you get it. Because being prepared brings faster refunds.

**Income**

- W-2's—wages
- 1099 R —pensions
- 1099 SSA —Social Security
- 1099 G—prior year State Refund
- Other Income statements (ex; Unemployment / Alimony / Jury Duty)
- W-2G-winnings
- 1099 INV & 1099 DIV –interest / dividends
- 1099 Misc —miscellaneous income
- 1099 C – cancellation of debt

**Capital Gains / Losses**

- Sold stocks / mutual fund / other investment securities
- \*also list date purchased & purchase price of securities

**Adjustments**

- CD Early Withdrawal Penalties
- HSA Contribution
- Tuition and Student Loan Interest paid
- Alimony Paid
- Teacher's Education Expense
- IRA/Sep Contributions
- 529 Contributions

**Deductions**

- Medical deductions (must exceed certain limits)
- Sales Tax paid for new auto & annual auto registration fees
- Real Estate Taxes (primary and vacation homes)
- Mortgage interest exp/ //Margin interest paid / PMI insurance paid
- Charity deductions (list cash separately from non-cash donations)
- Job related expenses
  - Mileage
  - Auto Expense
  - Uniforms
  - Dues & Fees
  - Supplies
  - Continuing Education
  - Job Search Expenses
  - Research Publications
- Other Deductions:  Investment Advisory Fees  Safety Deposit Box

**Other, list income and expenses separately for:**

- Self Employed Individuals
- Moving Expenses
- Child Care Expense
- Rental Property Income & Expenses
- Property Tax rebate

**WHAT'S NEW:**

**The Deficit Reduction Act will affect more Americans.**

As America ages, more people will need long term care through Medicaid. Medicaid has moved toward a five year "look-back-period" which means you must save all income tax records, MONTHLY bank or financial statements for FIVE years.

**Medicare Reviews are still needed:**

Every October 15th to December 7th provides an opportunity to review Medicare health and drug plans. Costs are increasing so it is important to review your options to save money. Ask us about free Medicare workshops.

**Starting in 2013:**

Certain tax-payers will pay 3.8% in additional Medicare taxes due to capital gains. Medical deductions will have more limitations for unreimbursed expenses that exceed 10% of adjusted gross income for tax-payers under 65.

**Planning Ahead Can Save You Money**  
*Plan with the B.E.S.T. Team.*  
*Saving you money is our job.*

Bayview Economic Solutions Team brings to you the information you need:

Tax Preparation & Planning



Pension Health & Income Benefit Reviews



Income Distribution Planning



Medicare Health Plan Reviews

Annual Enrollment: October 15 to December 7th



Medicaid: Long Term Health Care Coordination  
Medicaid Applications

VA Aide & Attendance Benefit Planning



Pension Options verse Life Insurance Planning



Estate & Legacy Planning  
*Associated Attorney's stand ready to answer your questions*



New Law Update Reviews



Detailed Planning Reports

**Tax Preparation Services:**

*Easy Drop Off or Mail-in services*  
*Office Appointments and Phone Appointments*

*Tax preparation fees are based on the forms needed to prepare and process your tax returns.*

*\* Short form start \$80.00 \* Long form start \$150.00*

**New on-line:**

**Turbo-Tax self prepared assistance program.** *Our tax professionals can guide you to prepare your own tax return using on-line Turbo-tax. Each year our Certified Financial Planners™ can provide you with new law updates and a personalized educational conference to include an individual review summary, research, resources and time to answer your toughest questions.*

*\* Our fees are separate from Turbo-tax and will depend on time and expenses incurred.*  
*Self-Prepare Assistance Program \$50. Hourly Financial Review / Educational Conferences fees vary*



**Call for more information Phone: 631-665-6475**

## Worker, Homeownership, and Business Assistance Act

2011 Exemption Amount: \$ 3,700  
Standard deduction: Single \$ 5,800  
Married Filing Joint \$11,600  
Head of Household \$ 8,500

Certain on-itemizers can enjoy an extra standard deduction of \$1,150 if over age 65, blind or disabled.

### Mileage Standard Rates

Work related unreimbursed mileage is 51 cents before 6/30/2011 and 55.5 cents after 7/01/2011  
Medical and moving miles is 19 cents before 6/30/11 (23.5 cents after)  
Charity miles is 14 cents

\* Don't forget job search expenses or if you registered your car, you may be able to deduct the registration fees.

### Alternative Minimum Tax (AMT)

Phases out certain deductions if your income is over: \$112,500 (Single) or \$150,000 (Married filers)

### Job Related Deductions

Make sure you can prove your deductions. The Internal Revenue Service is seriously doing more audits to close the Tax Gap.

### Education Deduction and Credit

Education expenses have been expanded to include technology, internet access and related services. This includes the cost of purchasing a new computer for school.

### Healthcare

Long Term Care premiums may be deductible up to \$3,950. for certain taxpayers. (NYS may also provides a 20% credit.)

## Other tax deductions, credits and tidbits

**Health Saving Plans** deduct \$3,050 (single) or \$6,150 (family) in 2010

### Real Estate

Retirees wanting to protect their home by use of a Life Estate (adding their children to their deed to protect it against long term care claims) may find adverse tax consequences to their children. If the house is sold before the death of a parent and the home is not the adult child's primary residence, capital gain taxes may due.

### Pension Limitations

IRA/ ROTH IRA's \$ 5,000 (plus \$1,000 if over age 50) 2011 / 2012  
401K /457 /403b's \$16,500 (plus \$5,500 if over age 50) for 2011  
401K /457 /403b's \$17,000 (plus \$5,500 if over age 50) for 2012

### Retirement savings Credit

\$1,000 (single) or \$2,000 (married filers). Income *limitations apply*.

### Public safety Officers (police and fire fighters)

May exclude up to \$3,000 from distributions of IRA or retirement accounts if they are used for healthcare, including Long Term care premiums.

\*Volunteer Firefighters may also get a credit on their New York State returns

### 1099c's - Issued for cancelled debt

Theses tax forms can cause a taxable consequence, however there may be some help. Find out if you need to pay taxes.

### Military tax benefits are expended

The earned income credit provides special consideration for those serving in the armed forces.

Teachers still get education deduction of \$200 for unreimbursed costs.


## Call us to get your questions answered


Bayview Economic Solutions Team brings you:

Retirement Reviews Detailed Planning Reports Pension Income Benefit Reviews Distribution Planning  
Medicare Reviews Medicaid: Long Term Health Care Coordination

### SHARE THE B.E.S.T. EXPERIENCE

*Please feel free to share the gift.*

 B.E.S.T. Bayview Economic Solutions Team, LLC	DATE: 2012
	\$10.00
Pay to the order of <u>YOU</u>	
Ten Dollars	00/100
Good for any B.E.S.T. Services. Coupon is not combined with any other discounts or offers. Expires 12/31/12	

 B.E.S.T. Bayview Economic Solutions Team, LLC	DATE: 2012
	\$10.00
Pay to the order of <u>YOUR FRIEND</u>	
Ten Dollars	00/100
Good for any B.E.S.T. Services. Coupon is not combined with any other discounts or offers. Expires 12/31/12	

We know economic times are hard. We value your patronage and strive to make your experience one that you can share with others.

Thank you for choosing the B.E.S.T. Team.  
Bayview Economics Solutions Team, LLC



Call for more information Phone: 631-665-6475

**Your Privacy is important to us**

The IRS has recently added provisions to the Tax Code designed to provide added safeguards regarding the transfer and use of your personal tax return information. The new rules reaffirm that you control your tax return information, not us or the IRS. The rules ensure that you know who your tax return information may be shared with, with and without your consent, and when it may be shared with and without your consent.

These new rules give you even greater control over the use of your tax return information. Unless the law allows us otherwise (in very limited circumstances), we can not disclose, without your signed permission, your tax return information to third parties for purposes other than for the purposes of preparing your tax return. We want to reassure you that we hold all your tax and financial information in the strictest confidence and will be happy to answer your questions about the new laws.

Bayview Economic Solutions Team does not solicit. If you wish us to send you information, research and educational materials you must sign a disclosure allowing us to do so. Please know it would be our pleasure to assist you in any way we can. Economic and healthcare trends often lead to new tax rules/ We know how important having the right information is, let us know if you wish to receive our updates.

**Make your appointment early:**

My Appointment Time is \_\_\_\_\_

My Appointment Date is \_\_\_\_\_

**Call us to get your questions answered.  
631-665-6475**



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**IMPORTANT TAX INFORMATION and NOTES**

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