

Investing In Our Community's Future

Price Fronk & Co. is proud to announce their latest new hires from Oregon State University Cascades: Angela Thomsen, Daniel Kieffer, Kreighton Edmonds and Morgan Lipscomb.

We believe the future of our community begins with supporting academic growth and helping students achieve their goals. Through the years our team has volunteered with the OSU Cascades Accounting Program to help cultivate the brightest Certified Public Accountants who will provide superior service to Central Oregon. Angela, Daniel, Kreighton, and Morgan are part of this community's future and are all beginning the process of sitting for the Certified Public Accountant exams.



Angela graduated from California Polytechnic University with a degree in psychology and child development. After spending time at a family friend's public accounting firm, she decided to pursue a career in public accounting. She earned the credits needed to begin sitting for her CPA exams through OSU Cascades and looks forward to gaining experience in taxation and

audit. In her free time she enjoys exploring Central Oregon with her young family.



Morgan received his accounting degree from the University of Oregon in 2011. After gaining work experience in small business accounting, he moved to Bend where he attended OSU Cascades to earn enough credits to begin sitting for the CPA exams. He is an active outdoorsman, enjoying activities such as hiking, camping, fishing

and backcountry snowboarding.



Daniel graduated from the University of Oregon and holds a degree in psychology. After deciding to change his profession to accounting, he attended OSU Cascades and was involved with the accounting program. He currently is a Licensed Tax Preparer and has experience in individual and small business tax preparation. He enjoys soccer, tennis and skiing.



Kreighton is an OSU Cascades graduate who began his accounting career with Price Fronk & Co. in February 2018. His diverse background includes working with small businesses and not-for-profit entities. He is quickly gaining experience in taxation and audit. He enjoys spending time with his family, fishing and camping.

Thank You

for giving us the opportunity to serve you this year. We value your trust and the confidence you have placed in us. Your business is appreciated, and your referrals are welcome.

*We wish you a
happy holiday season
and a prosperous 2019*

Keys to creating a satisfying retirement

You've done your retirement homework. Your assets are reviewed, you know your financial needs, and your retirement tax plan is in place. Are you ready to enjoy retirement? Probably, but not without a plan to address what happens to many people after they retire — boredom. Here are some ideas:

▶ **Go to school.** Many colleges and communities offer classes for retired students. Pick topics of interest and take advantage of this cost-effective way to stay alert through learning.

▶ **Pick up part-time work.** Consider picking up a few hours at a local retail establishment. The work can be rewarding and provide some additional spending money.

▶ **Volunteer.** Many retirees volunteer at libraries, museums and parks. Others volunteer at their local church, deliver meals and help young people with literacy. The possibilities are endless.

▶ **Schedule physical activity.** Staying physically active will keep your body and mind in shape. Create a weekly routine that keeps you moving. Volunteer to take the grandkids to swimming lessons while the parents are working. Bike or walk to do everyday chores.

▶ **Stay connected.** When you retire, many of your social connections will change. This is especially true for work connections and availability of friends that are still working. Look for other ways to make new connections. Participate in community events. Or reach out through volunteer efforts to meet new people.

▶ **Test out your dreams.** If you've always dreamed of moving to a new place in retirement, you may want to test-drive it first. You may miss your kids and friends. Services and connections you take for granted may become a problem. By renting a place and staying in the new location prior to committing, you will be prepared with a fallback plan if it does not work.

These are but a few ideas to help transition into a satisfying retirement.

5 annual tax essentials

Mark your calendar to review these essential items each year to ensure you are not missing something that could cause trouble when you file your tax return:

1. Required minimum distributions (RMDs)

If you are 70½ or older, you may need to take RMDs from your retirement accounts, or face hefty fines. RMDs need to be completed by Dec. 31 every year after you turn the required age. For the year you turn 70½, you can wait until April 1 of the following year to make the distribution, but you will need to do another one before Dec. 31 of the same year. This means two distributions on one tax return.

2. Your IRS PIN

If you were a victim of prior IRS identity theft you will be mailed a one-time use personal identification number (PIN) sometime in December. Make sure to save the PIN, as it is required to file your Form 1040. If you'd like, you can sign up for the PIN program. Note that once you are enrolled in the program, there is no opt out. A PIN will be required for all future filings with the IRS.

3. Retirement contributions

You may wish to make some last-minute contributions to qualified retirement accounts like an IRA. This can be \$5,500 for traditional or Roth IRAs, plus an additional \$1,000 if you are 50 or older. Contributions to traditional IRAs need to happen by April 15, 2019 to be deducted on your 2018 tax return. If you are looking to max out your 401(k) available through your employer,

the 2018 limit is \$18,500 (plus \$6,000 for 50 or older) and needs to be withheld from your paycheck by Dec. 31.

4. Harvest gains and losses

Profits and losses on investments have their own tax rates from 0 percent to as high as 37 percent. Knowing this, make plans to conduct an annual tax review of your investments. This includes:

- Making full use of the annual \$3,000 loss limit on investment sales.
- Understanding investments held longer than one year have lower tax rates as long-term capital gains.
- Trying to net ordinary income tax investment sales with long-term investment losses.
- Timing matters with investment sales and income taxes, so keeping a watchful eye on your investments and having a year-end strategy can save you some taxes.

5. Last-minute tax moves

While last-minute tax moves may be limited, here are a few ideas worth considering:

- Make last-minute donations to your favorite charities to maximize your itemized deductions.
- Consider contributions of up to \$100,000 from retirement accounts to qualified charities if you are over the age of 70½.
- Look to make tax-efficient withdrawals from your retirement accounts if you are over the age of 59½.
- Delay receipt of income or accelerate expenses if you are a small business.
- Take advantage of the annual \$15,000 gift-giving limit.
- Understanding your current situation and having a plan will make for a smooth tax-filing process and maximize your tax savings.



Is a tax surprise waiting for you?

Often lost in the excitement of large-scale tax changes is how they can negatively impact some individual situations. Check out the questions below to see if you might be in for a tax surprise this year.

► Will you pay more than \$10,000 in state and local taxes?

Previously, you could take a full deduction for all state income, sales and property taxes as an itemized deduction. That deduction is now capped at \$10,000 per year. Take a look at your 2017 itemized deductions to see if your state and local taxes were greater than the new cap. If so, you will now lose any excess amount over \$10,000 as a deduction.

► Do you pay for work expenses?

Before this year, employees were able to deduct work expenses (business mileage, uniforms, continuing education and other non-reimbursed expenses) as an itemized deduction. These deductions are now gone. If you typically pay for job-related expenses, you might be on the hook for more taxes. Employees who deduct business use of their homes may be impacted even more.

► Do you own a small business?

There are many business tax changes for 2018. Bonus depreciation and Section 179 expensing are expanded, the domestic production activities deduction (DPAD) is eliminated, and there is a new qualified business income deduction for pass-through entities. It is a near certainty that one or more of these changes will affect your business taxes.

► Did you adjust your withholding allowances?

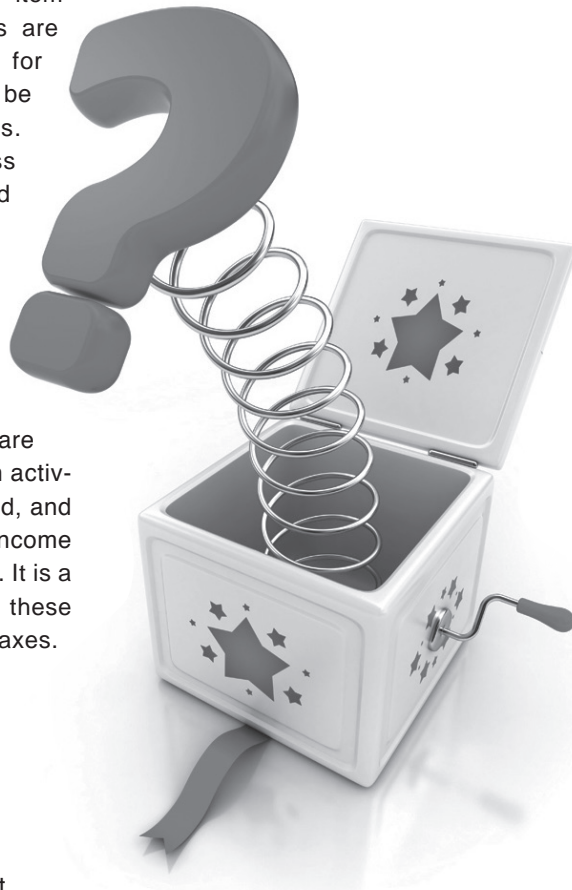
When the tax cuts were finalized, the IRS adjusted the withholding tables as best they could to fit with current allowances. As a result,

your take-home pay likely increased earlier this year. If you underwithhold, you will have a tax bill and maybe some penalties to pay next April. It would be time well spent to double-check your withholding for 2018.

► Do you have children?

Some good news! The Child Tax Credit is doubled to \$2,000 per child (versus \$1,000 last year). The income limits for the credit are also raised significantly to \$200,000 adjusted gross income (AGI) for single status and \$400,000 AGI for married couples. In many cases, the additional credit will actually offset the loss of the personal exemption that you could take for yourself, your spouse and children in the past.

Now is a great time to do an assessment of your situation in light of the new tax changes.



Your Tax Calendar

Jan. 15, 2019

Due date for the fourth installment of 2018 individual estimated tax.

Jan. 31

Due date for employers to provide W-2 statements to employees, and also file Forms W-2 with the Social Security Administration.

Due date for payers to provide most Forms 1099 to recipients and report Form 1099-MISC non-employee compensation in Box 7 to the IRS.

Due date for providers to send Forms 1095 to recipients.

Employers must file 2018 federal unemployment tax returns and pay any tax due.

Due date to file 2018 fourth quarter Form 941 for Social Security, Medicare and withheld income tax.

Feb. 28

Payers must file most Forms 1099s (except certain Forms 1099-MISC due Jan. 31) with the IRS.**

Due date to file Forms 1095 with the IRS.**

March 1

Farmers and fishermen who did not make 2018 estimated tax payments must file 2018 tax returns and pay taxes in full to avoid a penalty.

**April 1 if filing electronically

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How to survive 3 unavoidable banking trends

Smartphones and other technological advances enable banks to create products and services that dramatically change the way you bank. Here is a primer on three of the biggest banking trends and tips to protect your money:

1 The traditional bank branch is going away. A recent report from consultants McKinsey & Company claims an average of three bank branches are closing every day. Many of the branches that remain open are either closing their lobby or drive-through lanes. Branches don't appear to be going away completely, however, as 80 percent of Americans still prefer human interaction, according to the same McKinsey & Company report. What is likely to change is the manner in which the banker and customer interact. Banking agents roaming branches with tablets (rather than meeting customers at a desk) and teller-less, video-operated bank pods are on the horizon.

Tip: When choosing a bank, understand how it wishes to do business with you. Some will install financial barriers if you want to have a traditional banking relationship. This includes charging you for making deposits, refusing to accept mail deposits, refusing to take coins, charging fees for check writing and other hidden fees.

2 Mobile deposits are becoming more popular. Most banks offer a deposit option that allows you to take a picture of a

check on your phone and upload it to the bank's system to be deposited. According to Bank of America CEO Brian Moynihan, more customers now deposit checks on their mobile phones than in branches. Mobile deposits are extremely convenient, but they have their own set of rules to follow, including endorsements, deposit limits, posting timing and record retention.

Tip: Make sure you understand all the factors before using your phone to deposit a check. Also, read the terms of use before using

remote deposit applications. Remember, you are creating a digital link between your phone and your personal banking information.

3 Mobile wallets are replacing physical wallets. Mobile wallets like PayPal, Apple Pay and Zelle give users a convenient way to pay online, pay friends directly and even make payments in stores. According to Apple Pay VP Jennifer Bailey, Apple Pay is accepted at 50 percent of all retail stores.

Each mobile wallet operates a little differently, but the goal is to get users to ditch traditional payment methods and get them on their platform. For the most part, all you need is a bank account and the provider's mobile app and you can start making payments. In addition to convenience, the idea is that new encryption and biometric technologies (like fingerprints and face recognition) give more protection than traditional credit card transactions.

Tip: If you are looking to use a mobile wallet, compare the products to see which one would work best for you. Pay special attention to any consumer complaints and problems others are having with your service of interest.

Even with so many changes and countless options available to you, the point remains that it's your money and you control where to put it. Do the research, talk to friends about banks they use, and ask questions before deciding who to trust with your money.

