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Happy Spring Everyone!

We hope you have been able to get out and enjoy the warmer weather. We want to call your attention to a few items. First and foremost, remember to file your taxes by Monday, April 15th.

Second, our 10th Annual Shreddables & Edibles BBQ will be at Pioneer Park again this May. Exact date yet to be determined pending Fairbank's current rate of thaw and any spring blizzards!

Lastly, the UAF School of Management is working with The Polaris Group to put together a feasibility study for a Fairbanks-based recreation and wellness complex that would benefit all segments of our local population.

Please go to the survey link below & give your input on this important project for the health and longevity of our residents. The collection of survey responses will conclude on Monday, April 1st. Please take 10-15 minutes to complete the survey this weekend.

[https://uaf.co1.qualtrics.com/jfe/form/SV\\_aaV3KkTrinvL5pb](https://uaf.co1.qualtrics.com/jfe/form/SV_aaV3KkTrinvL5pb)

As always, let us know if you have questions!

## 2Q 2019

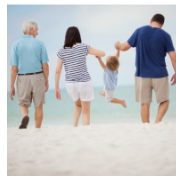
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## Quiz: Social Security Survivor Benefits



Did you know that Social Security may pay benefits to your eligible family members when you die, helping to make their financial life easier? Take this quiz to learn more.

### Questions

#### 1. What percentage of Social Security beneficiaries receive survivor benefits?

- a. 5%
- b. 10%
- c. 15%

#### 2. Your child may be able to receive survivor benefits based on your Social Security earnings record if he or she is:

- a. Unmarried and under age 18 (19 if still in high school)
- b. Married and in college
- c. Both a and b

#### 3. Which person may be able to receive survivor benefits based on your Social Security earnings record?

- a. Your spouse
- b. Your former spouse
- c. Both a and b

#### 4. Your parent may be able to receive survivor benefits based on your Social Security earnings record.

- a. True
- b. False

#### 5. How much is the Social Security lump-sum death benefit?

- a. \$155
- b. \$255
- c. \$355

### Answers

1. **b.** About 10% of the approximately 62 million Social Security beneficiaries in December 2017 were receiving survivor benefits.<sup>1</sup>

2. **a.** A dependent child may be able to receive survivor benefits based on your earnings record if he or she is unmarried and under age 18 (19 if still in high school) or over age 18 if disabled before age 22.

3. **c.** Both your current and former spouse may be able to receive survivor benefits based on your earnings record if certain conditions are met. Regardless of age, both may be able to receive a benefit if they're unmarried and caring for your child who is under age 16 or disabled before age 22 and entitled to receive benefits on your record. At age 60 or older (50 or older if disabled), both may be able to receive a survivor benefit even if not caring for a child (a length of marriage requirement applies).

4. **a.** That's true. To be eligible, your parent must be age 62 or older and receiving at least half of his or her financial support from you at the time of your death. In addition, your parent cannot be entitled to his or her own higher Social Security benefit and must not have married after your death.

5. **b.** The Social Security Administration (SSA) may pay a one-time, \$255 lump-sum death benefit to an eligible surviving spouse. If there is no surviving spouse, the payment may be made to an eligible dependent child. The death benefit has never increased since it was capped at its current amount in a 1954 amendment to the Social Security Act.<sup>2</sup>

This is just an overview. For more information on survivor benefits and eligibility rules, visit the SSA website, [ssa.gov](http://ssa.gov).

<sup>1</sup> Fast Facts & Figures About Social Security, 2018

<sup>2</sup> Research Notes & Special Studies by the Historian's Office, Social Security Administration

# Key Retirement and Tax Numbers for 2019



Every year, the Internal Revenue Service announces cost-of-living adjustments that affect contribution limits for retirement plans and various tax deduction, exclusion, exemption, and threshold amounts. Here are a few of the key adjustments for 2019.

## Employer retirement plans

- Employees who participate in 401(k), 403(b), and most 457 plans can defer up to \$19,000 in compensation in 2019 (up from \$18,500 in 2018); employees age 50 and older can defer up to an additional \$6,000 in 2019 (the same as in 2018).
- Employees participating in a SIMPLE retirement plan can defer up to \$13,000 in 2019 (up from \$12,500 in 2018), and employees age 50 and older can defer up to an additional \$3,000 in 2019 (the same as in 2018).

## IRAs

The combined annual limit on contributions to traditional and Roth IRAs increased to \$6,000 in 2019 (up from \$5,500 in 2018), with individuals age 50 and older able to contribute an additional \$1,000. For individuals who are covered by a workplace retirement plan, the deduction for contributions to a traditional IRA is phased out for the following modified adjusted gross income (AGI) ranges:

	2018	2019
<b>Single/head of household (HOH)</b>	\$63,000 - \$73,000	\$64,000 - \$74,000
<b>Married filing jointly (MFJ)</b>	\$101,000 - \$121,000	\$103,000 - \$123,000
<b>Married filing separately (MFS)</b>	\$0 - \$10,000	\$0 - \$10,000

*Note: The 2019 phaseout range is \$193,000 - \$203,000 (up from \$189,000 - \$199,000 in 2018) when the individual making the IRA contribution is not covered by a workplace retirement plan but is filing jointly with a spouse who is covered.*

The modified AGI phaseout ranges for individuals to make contributions to a Roth IRA are:

	2018	2019
<b>Single/HOH</b>	\$120,000 - \$135,000	\$122,000 - \$137,000
<b>MFJ</b>	\$189,000 - \$199,000	\$193,000 - \$203,000
<b>MFS</b>	\$0 - \$10,000	\$0 - \$10,000

## Estate and gift tax

- The annual gift tax exclusion for 2019 is \$15,000, the same as in 2018.
- The gift and estate tax basic exclusion amount for 2019 is \$11,400,000, up from \$11,180,000 in 2018.

## Kiddie tax

Under the kiddie tax rules, unearned income above \$2,200 in 2019 (up from \$2,100 in 2018) is taxed using the trust and estate income tax brackets. The kiddie tax rules apply to: (1) those under age 18, (2) those age 18 whose earned income doesn't exceed one-half of their support, and (3) those ages 19 to 23 who are full-time students and whose earned income doesn't exceed one-half of their support.

## Standard deduction

	2018	2019
<b>Single</b>	\$12,000	\$12,200
<b>HOH</b>	\$18,000	\$18,350
<b>MFJ</b>	\$24,000	\$24,400
<b>MFS</b>	\$12,000	\$12,200

*Note: The additional standard deduction amount for the blind or aged (age 65 or older) in 2019 is \$1,650 (up from \$1,600 in 2018) for single/HOH or \$1,300 (the same as in 2018) for all other filing statuses. Special rules apply if you can be claimed as a dependent by another taxpayer.*

## Alternative minimum tax (AMT)

	2018	2019
<b>Maximum AMT exemption amount</b>		
<b>Single/HOH</b>	\$70,300	\$71,700
<b>MFJ</b>	\$109,400	\$111,700
<b>MFS</b>	\$54,700	\$55,850
<b>Exemption phaseout threshold</b>		
<b>Single/HOH</b>	\$500,000	\$510,300
<b>MFJ</b>	\$1,000,000	\$1,020,600
<b>MFS</b>	\$500,000	\$510,300
<b>26% rate on AMTI* up to this amount, 28% rate on AMTI above this amount</b>		
<b>MFS</b>	\$95,550	\$97,400
<b>All others</b>	\$191,100	\$194,800

\*Alternative minimum taxable income

## Tax Scams to Watch Out For



*It is important to remember that the IRS will never initiate contact with you by email to request personal or financial information. This includes any type of electronic communication, such as text messages and social media.*

While tax scams are especially prevalent during tax season, they can take place any time during the year. As a result, it's in your best interest to always be vigilant so you don't end up becoming the victim of a fraudulent tax scheme.

Here are some of the more common scams to watch out for.

### Phishing

Phishing scams usually involve unsolicited emails or fake websites that pose as legitimate IRS sites to convince you to provide personal or financial information. Once scam artists obtain this information, they use it to commit identity or financial theft.

It is important to remember that the IRS will never initiate contact with you by email to request personal or financial information. This includes any type of electronic communication, such as text messages and social media. If you get an email claiming to be from the IRS, don't respond or click any of the links; instead forward it to [phishing@irs.gov](mailto:phishing@irs.gov).

### Phone scams

Beware of callers claiming that they're from the IRS. They may be scam artists trying to steal your money or identity. This type of scam typically involves a call from someone claiming you owe money to the IRS or that you're entitled to a large refund. The calls may also show up as coming from the IRS on your Caller ID, be accompanied by fake emails that appear to be from the IRS, or involve follow-up calls from individuals saying they are from law enforcement. Sometimes these callers may threaten you with arrest, license revocation, or even deportation.

If you think you might owe back taxes, contact the IRS for assistance at [irs.gov](http://irs.gov). If you don't owe taxes and believe you have been the target of a phone scam, you should contact the [Treasury Inspector General](#) and the [Federal Trade Commission](#) to report the incident.

### Tax return preparer fraud

During tax season, some individuals and scam artists pose as legitimate tax preparers, often promising unreasonably large or inflated refunds. They try to take advantage of unsuspecting taxpayers by committing refund fraud or identity theft. It is important to choose a tax preparer carefully, since you are legally responsible for what's on your return, even if it's prepared by someone else.

A legitimate tax preparer will generally ask for proof of your income and eligibility for credits and deductions, sign the return as the preparer, enter the Preparer Tax Identification Number, and provide you with a copy of your return.

### Fake charities

Scam artists sometimes pose as a charitable organization in order to solicit donations from unsuspecting donors. Be wary of charities with names that are similar to more familiar or nationally known organizations, or that suddenly appear after a national disaster or tragedy. Before donating to a charity, make sure that it is legitimate. There are tools at [irs.gov](http://irs.gov) to assist you in checking out the status of a charitable organization, or you can visit [charitynavigator.org](http://charitynavigator.org) to find more information about a charity.

### Tax-related identity theft

Tax-related identity theft occurs when someone uses your Social Security number to claim a fraudulent tax refund. You may not even realize you've been the victim of identity theft until you file your tax return and discover that a return has already been filed using your Social Security number. Or the IRS may send you a letter indicating it has identified a suspicious return using your Social Security number. If you believe you have been the victim of tax-related identity theft, you should contact the IRS Identity Protection Specialized Unit at 800-908-4490 as soon as possible.

### Stay one step ahead

The best way to avoid becoming the victim of a tax scam is to stay one step ahead of the scam artists. Consider taking the following precautions to keep your personal and financial information private:

- Maintain strong passwords
- Consider using two-step authentication
- Keep an eye out for emails containing links or asking for personal information
- Avoid scam websites
- Don't answer calls when you don't recognize the phone number

Finally, if you are ever unsure whether you are the victim of a scam, remember to trust your instincts. If something sounds questionable or too good to be true, it probably is.



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## Do I need to get a REAL ID when I renew my license?

If you need to renew your driver's license, you may want to get a REAL ID. The REAL ID Act, passed by Congress in 2005, enacts the 9/11

Commission's recommendation that the federal government set minimum security standards for state-issued driver's licenses and identification cards.

Beginning October 1, 2020, residents of every state and territory will need to present a REAL ID-compliant license/identification card, or another acceptable form of identification (such as a passport), to access federal facilities, enter nuclear power plants, and board commercial aircraft. Although implementation has been slow, states have made progress in meeting the REAL ID Act's recommendations. A majority of states and territories, along with the District of Columbia, have complied with all REAL ID requirements. The remaining noncompliant jurisdictions have been granted a temporary extension from the Department of Homeland Security.<sup>1</sup>

To obtain a REAL ID, you must apply in person at your state's department of motor vehicles (or other approved service center). Your picture will

be taken and signature captured electronically. You must provide more documentation than you would normally need for a standard driver's license or identification card. A REAL ID requires that you show (in original or certified form) proof of identity and lawful presence (e.g., U.S. passport, birth certificate), state residency (e.g., mortgage statement, utility bill), and Social Security number (e.g., Social Security card, paystub). In addition, if your current name doesn't match the one on your proof of identity document, you must prove your legal name change (e.g., marriage certificate).

When states first implemented REAL ID recommendations, applicants were faced with delays and long wait times. However, many states have since streamlined the process by allowing applicants to start the application process online. For more information on applying for a REAL ID, you can visit your state's department of motor vehicles website or [dhs.gov/real-id](https://dhs.gov/real-id).

<sup>1</sup> Department of Homeland Security, REAL ID Compliance Extension Updates, October 2018



**...AND I HAVE 75 MORE DEPENDENTS AT HOME.**

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