

Auditing and Accounting  
Business Management  
Consulting  
Business Strategies for  
Taxes and Succession  
Planning  
Business Valuations  
Cafeteria Plan Design  
and Administration  
Employee Benefit Plan  
Services  
Financial Planning  
Payroll Management  
QuickBooks Support  
Tax Preparation

FINANCIAL IDEAS FOR TODAY AND TOMORROW

# Footnotes

## Managing Your Wealth



Steve Duggan, CPA, is the firm's managing partner and is in our Waterloo office.

### FROM THE PEN OF A PARTNER

**D**id you know that in addition to our core services, Hogan - Hansen, P.C. provides comprehensive wealth management services to our clients with our strategic partner, HK Financial Services? We understand the variety of financial service choices available and welcome the opportunity to show you how we can help. Our investment and risk management audits are designed to

help you better understand your personal situation and keep you on track for financial success. We also specialize in providing retirement plan services for our business clients through plan design, administration and investment management.

Some of the key highlights of our wealth management and retirement plan services are:

#### **What is in it for me?**

- No Cost - Investment and

risk management audits are conducted at no charge.

- Comprehensive Review - Ensures an experienced team is looking at the whole picture, rather than piece by piece.
- Financial Profile - Assist in developing an easy to understand plan that is specific to your needs.
- Tax Analysis - Most investments and life insurance policies have tax aspects that should be understood and integrated into your plan.
- Savings - Investment and risk management audits can uncover savings opportunities, which are often significant.
- Reliance - Knowing that there are experienced CPAs and financial professionals

working together as a team provides confidence that you can reach your financial goals and dreams.

#### **What to Expect and the Process?**

- Discussion - Your CPA and an HK Financial Services professional will sit down with you and discuss your particular situation, at no cost or obligation.
- Timely Review - An investment and/or risk management audit is a pain-free exercise and provides peace of mind.
- Financial Advice - We will review your situation and assist with recommendations to help you accomplish what is important to you.

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From the Pen of a Partner  
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### Who should consider this free service?

#### Business owners who need assistance with:

- Business succession planning and funding buy/sell agreements
- Deferred compensation agreements
- Retirement plans for your employees

#### Individuals who need assistance with:

- Establishing investment goals and plans
- Dealing with change in marital status - death of spouse/divorce/etc.
- Individual Retirement Accounts (IRAs) withdrawals
- Retirement planning through your employer
- Nearing retirement age or entering retirement

**We encourage you to contact your CPA to review your financial situation. We are here to help.**



**W**edding bells bring rejoicing – and financial changes. If you're marrying for the second time, the changes might seem overwhelming. On the surface, tax and financial planning for a second marriage is similar to that of a first marriage.

For example, no matter what month you hold the ceremony, the IRS will consider you married for the full year. That means employer-provided fringe benefits and taxes withheld from your paychecks could require adjustment.

Depending on how much each of you earns and your past financial history, you'll have to decide what filing status will be most beneficial, and how best to take advantage of tax breaks that may become available.

With a second marriage, you have even more decisions to make, including

how you'll merge your assets. Will you purchase a new home? If both of you already own separate homes, you may each qualify for a \$250,000 federal income tax exemption on the profit from the sale, as long as you have lived in the home for at least two

hold. Depending on your age, you may want to investigate the effect of the marriage on your social security benefits.

Consider estate issues too, such as updating retirement plans with new beneficiary designations

## Taxes and Marriage: The Second Time Around

of the last five years. If only one of you meets the requirements for the exemption, consider selling the qualifying home and living in the other for a while.

You or your spouse might also have substantial debt or financial obligations. Discuss your financial histories, including alimony or child support still owed and past bankruptcies. Decide who will provide for the college expenses of the children in your now-combined house-

and retitling bank and brokerage accounts. Be sure to discuss how heirs from previous marriages will be provided for, and remember to update your wills.

A second wedding is a joyful event for you, your new spouse and your extended families. To give your marriage an added advantage, call us before you say, "I do." We'll offer our congratulations – followed by useful financial and tax planning advice.



Securities offered through ProEquities, Inc., a Registered Broker Dealer and Member FINRA and SIPC. Advisory services offered through Honkamp Krueger Financial Services, Inc., a Registered Investment Advisor. Honkamp Krueger Financial Services, Inc. is independent of ProEquities, Inc.



# Watch out for the “Dirty Dozen”

**E**ach year the IRS publishes a “Dirty Dozen” list of tax-related scams. Here’s the list for 2015.

**PHONE SCAMS** Con artists impersonating IRS employees may call you, demanding money or promising a refund if you “confirm” your social security number. Remember - a legitimate IRS call will always be preceded by written correspondence from the agency.

**PHISHING** Thieves commonly use fake emails and websites to steal personal information. Your response: Never click on unfamiliar links or attachments. The IRS won’t email you without first sending a notice to your physical address.

**IDENTITY THEFT** Your financial identity may be stolen through phone scams, phishing, misuse of information provided to businesses or dumpster diving. Protect your social security number and other personal information, and avoid providing such data whenever possible.

**RETURN PREPARER FRAUD** Unscrupulous tax preparers may use your information to create inflated refund claims or steal your identity. If a preparer’s representations or demeanor makes you uncomfortable, take your business elsewhere.

**HIDING INCOME OFFSHORE** The IRS has been stepping up enforcement actions against undeclared offshore accounts. You’re allowed to maintain such accounts, but you’re required to report them.

**INFLATED REFUND CLAIMS** Avoid return preparers who promise refunds up front, or who base fees on a percentage of your refund.

Be sure your refund will be mailed to your address or deposited directly into your bank account.

**FAKE CHARITIES** Fake charities are used to steal your money, your identity, or both. Use the “Exempt Organizations Select Check” feature at [www.irs.gov](http://www.irs.gov) to determine whether a charity is legitimate.

**FAKE DOCUMENTS** If a return preparer suggests filing false Forms 1099 or using fake documents for any purpose, walk away.

**ABUSIVE TAX SHELTERS** Abusive shelters use structures ranging from phony entities with no real assets to complex multi-entity conglomerates with offshore accounts. Be careful of investments that emphasize tax avoidance over growth or earnings.

**FALSIFYING INCOME TO CLAIM CREDITS** This scam involves reporting nonexistent income in order to claim tax credits. This is tax fraud - and you should never agree.

**UNWARRANTED CLAIMS FOR FUEL TAX CREDITS** Fuel tax credits are generally limited to off-highway business use, such as farming. If you don’t qualify, don’t let anyone talk you into claiming them.

**FRIVOLOUS TAX ARGUMENTS** Beware of anyone who urges you to rely on “innovative” legal theories to justify nonpayment of taxes. The Sixteenth Amendment to the U.S. Constitution authorizes Congress to levy an income tax and the tax remains enforceable until Congress repeals it.

## Tax Checklist: After the Wedding

Don’t wait too long after the wedding to spend a little time on tax matters. Here’s a checklist of things to consider:

- If you’ve taken your spouse’s last name or hyphenated your last name, you need to notify the Social Security Administration. The agency will link your new name to your social security number and issue a new social security card.
- Update your will and other estate planning documents. Don’t forget to review the beneficiaries on your IRAs, 401(k) plan and life insurance policies. You’ll want to make sure your documents are updated and taxes are minimized in the event of your disability or death.
- If you move to a new home, send a change of address to the IRS, the financial institutions where you have accounts and current-year employers. Then your W-2s and IRS notices will find their way to you.
- Your marital status for tax filing is determined by your status on the last day of the year. Calculate the impact of the marriage penalty to see whether you need to change your income tax withholding. File a new Form W-4 with your employer’s payroll department to notify them of your name change and any withholding change.



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## NOTABLE QUOTES

Behold, my friends, the spring  
is come; the earth has gladly  
received the embraces of the sun,  
and we shall soon see  
the results of their love!

- SITTING BULL

Too often we underestimate the  
power of a touch, a smile, a kind word,  
a listening ear, an honest compliment,  
or the smallest act of caring,  
all of which have the potential  
to turn a life around.

- LEO BUSCAGLIA

Little League  
baseball is a very  
good thing  
because it keeps  
the parents  
off the streets.

- YOGI BERRA

We're concerned with how  
things turn out;  
God seems more concerned  
with how we turn out.

- PHILIP YANCEY

Kevin Ballard  
Principal

Steve Duggan  
Principal

Damian Hurmence  
Principal

Dennis Muyskens  
Principal

Kristi Wick  
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