

## INFORMATION 2020

[1] For 2020, taxpayers may deduct up to \$300 in cash contributions to qualified charities whether or not they itemize deductions. Submit a list of your qualified itemized deductions. If you do not itemize, you can stop at \$300.

[2] The Social Security Administration now considers 66 to 67, depending on your year of birth, your Full Retirement Age (FRA). The following year, there is no limit on your earned income so you do not have to give back any of your benefits. However, the maximum Social Security benefit kicks in at age 70. Your benefit increases about 8% a year from your Full Retirement Age to age 70 which could be called your Maximum Benefit Age (MBA).

[3] For those individuals starting their social security, up to 85% of your gross amount may be taxable. Use Form W-4V to request income tax withholding. The withholding rates are 7, 10, 12 and 22%. If you are still working, it is likely that at least some of your social security will be taxable. Unless you need the extra money, it usually pays in the long run to hold off on receiving social security until you quit working or until age 70, whatever occurs first. There is NO benefit to waiting past age 70. There are situations where taking social security early could be advantageous.

[4] Required Minimum Distributions (RMDs) were not required in 2020. However, if you took a RMD and had a charitable contribution from a deferred account such as an IRA or 401k mailed directly to a qualified charity, I need to know the amount. Your 1099-R will show the total RMD and I will have to enter the charitable amount into your tax return. This is a great way to make qualified charitable contributions even if you don't itemize deductions. NOTE: The age is now 72 as to when RMDs are required. Consider IRA to Roth conversions.

[5] Recovery Rebates / Stimulus Payments / etc. The rebate that you may have received in 2019 is considered a special credit on your 2020 return. You'll reconcile your rebate on your 2020 return. For most people, the rebate will equal the tax credit allowed. Taxpayers whose credits exceed their rebates can claim the balance on their 2020 returns. We expect you won't have to repay the IRS if the payment you received is more than your credit. (WARNING: I copied this part from the last known position of the U. S. government!!!). Most taxpayers will break even. Provide your exact rebate amount.

[5] The following must be submitted in addition to the usual tax documents such as W-2, 1099-R, 1099-SA (Social Security) and 1099-MISC. A new form this year for independent contractors is 1988-NEC.

\_\_\_\_\_ Charitable contributions. [1] above.  
\_\_\_\_\_ Charitable contributions as part of a required minimum distribution (RMD). [4] above.  
\_\_\_\_\_ Stimulus/rebate payment received in 2020. [5] above.  
\_\_\_\_\_ IRS PIN if received. [3] on client letter.  
\_\_\_\_\_ Estimated Tax Payments by quarter starting in April, 2020.

[6] My present plans are to be at 4001 West Newberry Road, Office B1 from 11:00a - 3:00p on the following days:

Sunday, January 24	Sunday, February 21
Thursday, January 28	Thursday, February 25
Sunday, January 31	Sunday February 28

You may want to call or email me in advance to let me know when you will be stopping by. This is the office of an outstanding speech therapist and only available to me on certain dates.