

# H&R PYE'S TAX SAVER

H & R Pye's Tax and Accounting Service | 46 Varney Mill Rd. Bath, ME | (207) 443-6183 | [pyestax.com](http://pyestax.com)

## Understanding Your Tax Appointment

### H & R Pye's

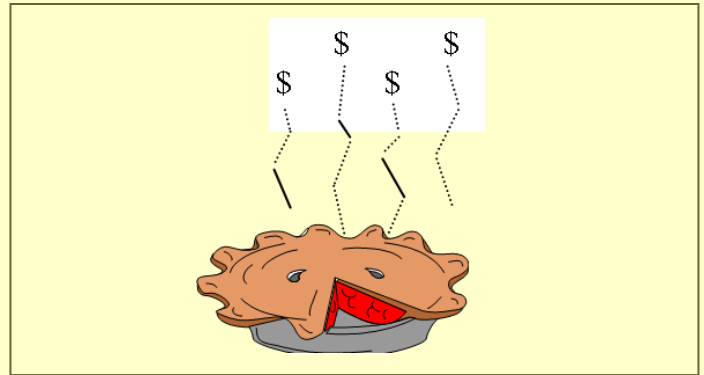
Before you come to your tax appointment, make sure that you bring the following information:

- Up-to-date banking information
- Non-cash contributions, with the dollar amounts tallied and the math done
- Your completed client information sheet and engagement documents (from our website)
- All tax- and income-related mail, opened and unfolded
- Proof of any new dependents
- If you're claiming the EIC: proof of the children's residency (a document with parents' names, child's name, and address—a doctor's record, school record, etc.) and complete our EIC Questionnaire

Every year, many people leave their tax appointments with what we call homework. It sounds like a simple concept but there are some things about it that people don't know. You will have homework if you come to your tax appointment without all of the information that we need to get your taxes filed right away.

When this happens, and you have to go home to get us the rest of the information we need, your taxes are no longer done in the order of appointment. Instead, they are done in the order we received the homework. In other words, even if you bring us your homework the very next day after your appointment, it won't be done until we get to all of the homework that came in before yours. We process homework this way because our schedules are packed with appointments back to back. So as you can see, it is very much to your benefit to come to your tax appointment prepared!

70% of our clients preschedule their tax appointments, which means that before tax season even starts, we have a full schedule.



Because of this, please let us know as far in advance as possible if you need to move or postpone your appointment.

Similarly, please make sure you allow yourself plenty of time to travel to our office. If you are running late at all, you must let us know. Our schedules are packed full, so please understand if we need to reschedule you.

Another important note: starting in 2017, after September 15<sup>th</sup>, if you have not gotten us your information or had your initial tax appointment (which did not require you bring back homework) you will be charged a fee of \$150 above our normal tax prep fee.

We do not want to collect this extra money, but we do want to be finished filing taxes at a reasonable time this year. Tax season should not last 9 ½ months, and we cannot let that trend continue any longer.

As long as you have your appointment (and do not need to bring us homework) before the 15<sup>th</sup> of September, or you get us your information/homework before the same date, you will not be affected by this new fee. We are simply hoping to be able to get everyone's taxes filed earlier this year, to make sure that all of your returns are processed without any issues. We thank you for your understanding.

## Protecting Personal Information Online

### Adapted from The Tax Tip

It seems like every year there are more and more cases of identity theft and refund fraud. People are always finding new ways to commit these acts, and so we must always find new ways to protect ourselves.

You have to treat your personal information as being as valuable as money, because all someone needs to steal actual money is the right information. That can include Social Security numbers, credit card numbers, passwords, bank account numbers.

The IRS suggests the following tips to help protect your personal information on the Internet.

First of all, don't input any personal information into any website that isn't encrypted. You can see whether a website is encrypted or not by looking at the web address. If it begins with "https" as opposed to "http" then that page of the site is encrypted.

For best practice, make sure you check the address on each page of the site that you visit, because sometimes sites only have some of their pages encrypted, and this still leaves your information vulnerable.

You've probably already heard about passwords, but the advice is often repeated because it's true. The longer and less common your password is, the more secure it will be. Use upper- and lower-case letters, numbers, special characters, and words that have little or no association with you.

The IRS recommends that you use at least 10 characters in your passwords, but that 12 is ideal. And remember never to use the same password for multiple accounts.

Do research on websites that might crop up when you're browsing online. Don't assume that ads or emails are legitimate without looking into it further.

Try not to put too much information on your social media. The more information an identity thief can find about you on the Internet, the easier it will be for them to steal your identity.

Social media may seem innocuous, and what could be the harm in telling your friends about your pet or your new car? But if that information could give someone a clue to your online passwords, or answers to any of your security questions, you don't want it to be readily available.

It's very important that you keep backups of your important information – such as tax returns – in a safe place, so that if your computer is compromised, you still have access to your files.

Of course, the IRS particularly stresses that you should save your tax returns and records. They suggest that you keep a printed copy in a safe place, as well as an electronic copy (somewhere secure, of course).

If you are storing your tax and financial records on the computer, you should make sure to use a file encryption program to give yourself some extra protection in case your computer is compromised.

The IRS suggests checking out their website at [www.irs.gov](http://www.irs.gov) for more tips and information about protecting your personal information.

Remember, the IRS does not initiate contact by phone or email. Do not reply to any emails, or click any links in the email. If you get a call, just hang up.

## 2016—Over Already?

### H&R Pye's

Time flies when you're not doing taxes! And here we are, poised at the start of another tax season. Here at H&R Pye's, we can't believe that it's time already, but we're working hard to prepare for it so we're all set to go once January 15<sup>th</sup> arrives.

As always, last tax season we were glued to our desks and didn't have much opportunity for fun outside the office. But with the end of tax season came the beginning of our 2016 adventures! As we have for the past few years, once the dust of the season was settled, we put on our party hats and headed to Foxwoods to celebrate. Some of us gamble, some of us shop, but all of us have a great time.

In May, Holly took a week off to fly down to Disney with her good friend Barbara. They stayed at the Animal Kingdom Lodge and even helped feed giraffes!



Though less exciting than a Disney vacation, in June we took off to drive (yes, drive!) to Baltimore for the annual HD Vest conference. For those who don't know, HD Vest is the company we work with to help clients with investments. Every year they hold a conference to help their advisors stay up to date on all the latest wealth management news, and we always learn a lot.

The rest of the summer passed quietly for the office, as some of us left briefly for their own little adventures. Cheryl made her own brief trip to Florida to visit an old friend, not to mention her

cruise to Bermuda to celebrate her 30<sup>th</sup> wedding anniversary, Karl went on a cross-country road trip, Chelsea flew to Seattle for the first time to visit a good friend, and Linda spent the spring and summer lovingly bringing her beautiful garden to life.

In October, the full-time crew returned to Foxwoods for the annual W.B. Mason trade show (which is always fabulous) and finally, we finished up the year with our third annual Epic Epcot Girls Trip for Disney's Food and Wine Festival.

It's been an exciting year filled with lots of fun and we can't wait to see what 2017 brings us!



## Important Notes

You can now download one file called “2016 Tax Season Engagement Documents” on our website.

This one file will give you:

- Client Information Sheet
- Engagement Letter
- IRS Disclosure
- Personal Disclosure
- Investment Disclosure
- Personal Check-Off List
- EIC Questionnaire

If you need additional worksheets or check-off lists, they are listed individually on our website.

If you are eligible for the Earned Income Credit, Advanced Child Tax Credit, or the American Opportunity Tax Credit, we **must** have:

- Proof that the child lives with you
- IRS 1098 T
- Paid tuition bills from Fall of 2015 through, and including, Spring 2017
- Completed EIC Questionnaire

Affordable Care Act Penalties:

- Tax Year 2016: 2.5% of your total household income or \$695 per adult and \$347.50 per child, to a maximum of \$2,085 – whichever is higher.
- Tax Year 2017: 2.5% of your total household income. The flat fee and the minimum penalty will be adjusted for inflation, but the federal government has not yet released those details.

— We do financial planning too! Services we provide in financial planning are:

- Retirement Accounts
  - 401K
  - Simple IRA
  - Roth IRA
  - Rollovers
  - SEPs
- Long-Term Care Planning

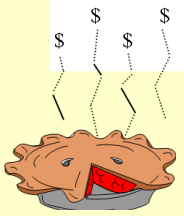
Financial planning services cont.:

- College Savings
- Life Insurance
- Account Consolidation
- Asset Allocation
- Mutual Funds

Having your money scattered across various accounts can be overwhelming. We can help you consolidate your investments to make them easier to manage. Talk to Holly or our staff about setting up an appointment after tax season to come in and discuss your options.

Be careful if you receive any correspondence that appears to be from the IRS. Remember that they will not get in touch with you by phone or email until after they have already reached out to you through a letter. If you receive any emails, do not click any links and do not respond to the email. If you receive a phone call, just hang up. However, if you do receive a letter from the IRS, we need to see it! Bring it into our office, fax it, or scan it and email it to us, so we can help you with your next steps.

Whether you invest your money with us or elsewhere, it's important to know that some changes are coming to the industry. Recently, the Department of Labor passed a new rule that will affect financial advisors, fund companies, and investors alike. The biggest change it will enact is that there is going to be a move away from commission-based fees for advisors. While many companies in the industry work to find ways to adjust to make this work at all levels of the investment process, it's still important to note that this might change the way retirement accounts, in particular, work. However, any money you have already invested will not be affected. Of course, there is a chance that the rule will be overturned under the Trump administration.



## Accomplishments

Linda's daughter Lacey and Cheryl's son Chapin both graduated from college this past May! Congrats to the grads, and to their proud parents!



Chelsea is 3/4s of the way through her Master's program in Creative Writing. She will graduate in July 2017.

H & R Pye's is celebrating our 31<sup>st</sup> year in business! We couldn't be more proud of where we are today, and it's all thanks to our valued clients!



## Contest Winners

**Email Alert Contest:** Albert and Kerry Nelson; Rodney and Victoria Brents; and Patrick and Lisa McInnis

**Prescheduled Appointment Contest:** Robert and Patricia Brown; Jeff and Helen Fields; Brian and Denise Letourneau; Jason Shaw; and Alan and Linda Whitford

**Confirm Your Appointment Contest:** Phillip McCarthy and Lisha Wentworth; Stacy and Pauline Revels; and Sally Drake

### 2017 Contest Deadlines

**Sign up for our email alerts** on our website ([pyestax.com](http://pyestax.com)) by April 15<sup>th</sup> and be entered into a drawing for a \$50 credit—up to three winners.

**Prescheduled Appointment Contest:** 5 prizes of \$15 credit each. Deadline is **Friday, January 20<sup>th</sup>**.

**Confirm Your Appointment Contest:** Call and confirm your tax appointment by **Friday, January 20<sup>th</sup>** and be entered into a drawing for three separate \$50 credits.

As always, if you refer a new client to us, you will receive a \$10 **credit memo**.

*Go to [pyestax.com](http://pyestax.com) for more information and to print all of the documents you need to sign and bring to your tax appointment!*

**H&R Pye's Tax and  
Accounting Service**  
46 Varney Mill Rd.  
Bath, ME 04530

**Phone:**  
(207) 443-6183

**Fax:**  
(207) 443-8970

**E-Mail:**  
cheryl@pyestax.com

**Don't pass the Pyes by or your taxes  
may be too high!**

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*We're on the Web!*

*Visit us at:*  
pyestax.com

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## Heading Into 2017

Things are going to be a little bit different at Pye's this year. For the first time in many years, we are starting tax season with only the three full-time staff members who have been here all year. Karl will again be helping with returns, and Carol and Doreen will be helping out, but the staff in the office everyday will be the same staff you've been seeing and hearing from all year: Cheryl, Linda, and Chelsea.

In fact, we have lost one of our numbers. One of Holly's two beloved cats, Interest, sadly passed away earlier this year. It's been very difficult, but fortunately Interest's sister Dividend has stepped in with twice the amount of affection. Be sure to say hello to her if she visits you during your appointment!

