SIPES & SEATON

CPAs, Business Advisers & Appraisers

Minimizing Taxes™ - Protecting Assets - Building Wealth

166 W. University Parkway; Suite B
Tel: (731) 664-7777
Fax: (731) 664-1544
sipescpa.com

OCTOBER 2017

Retirement Planning Checklist

Bancorpsouth.com

It is a shocking statistic: A March 2014 survey by the Employee Benefit Research Institute found that nearly 38 percent of workers had total savings and investments of more than $25,000. A total of 36 percent said that they had less than $1,000 in savings.

These people will face a difficult reality when they reach retirement age: Social Security provides far from enough income for people in their retirement years. Those who do not save enough will spend these years worrying about paying their bills.

The truth is, retirement is not inexpensive, even if you do not have a mortgage to pay or significant credit card debt. Consider medical costs. Fidelity Investments found that a couple retiring in 2014 at age 65 with no employer-provided health care coverage will need $220,000 in savings to fund out-of-pocket medical expenses during their retirement years.

The good news? Even if you've been lax in saving for retirement, you can still take steps to increase the amount of money available to you after you quit working. Here is what you should be doing at every stage of your working life to save for retirement.

Just getting started

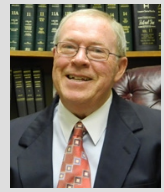
Admittedly, it is not easy to think about saving for retirement when you are just getting started on your job. However, there are certain steps you can take today to boost the odds that you'll have enough money to enjoy your retirement years.

Step one? Participate in your company's 401(k) plan if it offers one. Moreover, participate completely; max out your regular contributions. Money that is automatically deducted from your paycheck will not be missed. However, you'll certainly appreciate it once you retire.

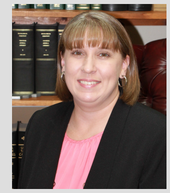
Next, invest in a traditional or Roth IRA or a combination of the two. This allows you to save money for your retirement years on a tax-deferred basis.

The other important step to take at this stage? Practice sound financial habits. You do not want to enter your retirement years burdened by credit card debt. The less consumer debt you generate during your 20s, the better off you'll be as retirement nears.

Continue to next page



Bill Sipes



Stacy Seaton

LET US HELP YOU MAKE SENSE OF YOUR FINANCES

Sipes & Seaton is a trusted financial partner that uses strong relationships and leadership to assist our clients in determining their vision of the future and to creatively assist them to locate a clear path to attain that future, which would include protecting assets, minimizing taxes, and building wealth.

INSIDE THIS ISSUE

1.) Retirement Plan
2.) Preparing for Natural Disasters
3.) Tax Deductions
4.) Phone Security
5.) Scammers and Robocalls
6) Congrats!

Continued... Retirement Planning Checklist

Mid-career

Again, debt remains a big factor in how enjoyable your retirement years will be. So do everything you can to pay off your debts as you move closer to retirement. Paying off your credit card debt is a must. If you can afford it, you should pay off your mortgage, too. Not having to make monthly payments in your retirement years will prove a big financial relief.

The mid-point of your career is also the time to start drafting a financial plan for your retirement years. Discuss your goals for your post-work life with your spouse. Do you want to spend most of your time with your grandchildren? Do you want to travel the globe or take regular cruises? Maybe you want to take up golf. Your goals for your retirement years will impact how much money you'll need for this time of your life.

Armed with this information, you can sketch out a rough figure of how much you'll need to save to reach your retirement goals.

If you have not yet opened IRAs for you and your spouse, do so now. Be sure to contribute regularly to these accounts. Every bit of money you save now becomes critical as retirement nears.

Five to 10 years before retirement

The Internet can help you determine if you are on track to have enough savings to support the lifestyle you desire during retirement. Use an online retirement calculator to determine how prepared you are for your retirement.

This is also a good time to evaluate your savings vehicles. You should maintain a diverse portfolio, investing in bonds, stocks, and other savings vehicles. However, this is a good time to move more of your savings to lower-risk investments. This will protect these dollars as your retirement years draw near.

During this time, it is important to learn about Social Security, too. You do not want to retire too early; this will diminish the amount of Social Security income you receive each year. In fact, the longer you can put off retiring -- if you are healthy enough to work -- the better off you'll be financially. Not only will you draw more income to support your retirement years, you'll also boost the amount of Social Security benefits you receive each year.

Finally, practice living on your post-retirement income before you leave the work world. You might find that you've underestimated how much money you'll need during your retirement years.

After retiring

Once you've retired, you need to be cautious about how much money you withdraw from your retirement savings each year. Many retirees follow the 4 percent rule, meaning that they only withdraw 4 percent of their savings each year of retirement. This is a sound financial plan to take.

IRS Urges Taxpayers to Prepare for Hurricanes, Floods and Other Disasters

Irs.gov

For September's National Preparedness Month, the Internal Revenue Service is offering advice to taxpayers who may be affected by storms, fires, floods or other disasters. After the devastation of Hurricane Harvey and with Hurricane Irma threatening parts of the U.S. and Caribbean, the IRS reminds taxpayers that the agency is here to help, including offering a special toll-free number to taxpayers in federally-declared disaster areas that's staffed with IRS specialists trained to handle disaster-related issues.

Managed and sponsored by the Federal Emergency Management Agency (FEMA) and the Ready Campaign, National Preparedness Month encourages individuals, businesses and organizations to prepare for a variety of disaster and emergency situations.

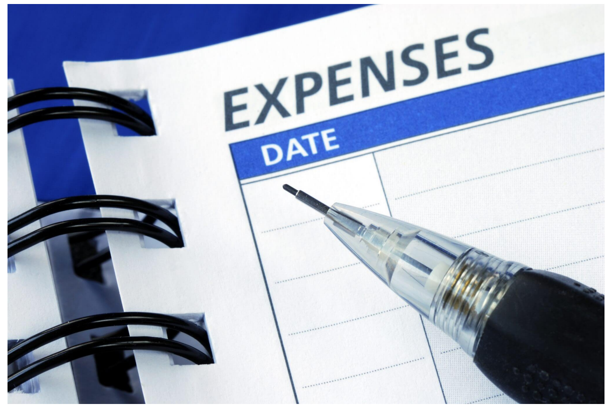
- **Create Electronic Copies of Key Documents**
- **Document Valuables**
- **Check on Fiduciary Bonds**
- **Don't Forget to Update Emergency Plans**

In the case of a federally-declared disaster, an affected taxpayer can call 866-562-5227 to speak with an IRS specialist trained to handle disaster-related issues.

For more information about National Preparedness Month, visit Ready.gov/September.

10 Perfectly Legitimate Business Expenses You Can't Deduct

Sep 5, 2017 by Barbara Weltman; smallbiztrends.com



There are certain costs you may incur for your company that make good business sense. Unfortunately, the tax law doesn't view them all as write-offs. Here are 10 expenses you may incur in or related to your business but you can't deduct them (in whole or in part).

1) Additional Medicare Taxes... The 0.9 percent additional Medicare tax paid on net earnings from self-employment or employee wages (if your income is high enough) and the 3.8 percent net investment income tax paid on income from investments.

2) Clothing for Work... While many people in business want to dress for success, the government doesn't help to underwrite the cost by permitting a deduction. Only clothing not suitable to street use (e.g., uniforms, hard hats, etc.) can be deducted.

3) Commuting To and From Work... No matter how lengthy or difficult it is to get to your business and home again or what mode of transportation you use, you can't write off the cost.

4) Dues to a Country Club... Even though golf or tennis may be a great way to meet and network with clients and customers, the dues aren't deductible. The same is true for social clubs and fitness centers. But if you have a business lunch at your club, half the cost of the meal can be deducted.

5) Exploratory Costs... The money you spend to research business opportunities that you might go into isn't deductible. Once you actually start a business, expenses treated as start-up costs can be deducted in the first year within certain limits.

6) Fines and Penalties... Government-imposed fines and penalties are usually non-deductible, regardless of the amount.

7) Gifts to Business Associates, Customers, Vendors, Etc.... The deduction is capped at $25 even though it makes good business sense to give a more expensive gift in certain situations.

8) Half of Meals and Entertainment Costs... Only 50 percent is deductible in most cases. There are some exceptions, such as company picnics or break room snacks, when a deduction for the full cost is permissible.

9) Interest on Tax Under-payments for Non-corporate Taxpayers... Sole proprietors and owners of pass-through entities that pay interest on tax under-payments cannot deduct them. The interest is viewed as personal interest even if it relates to business income.

10) Legal Fees to Buy Property... These fees are added to the cost basis of the property. A portion of the fees (the part allocated to the cost of the building and not the land) may be recovered through depreciation.

Conclusion- Work with a CPA or other tax advisor to optimize your deductions and to understand how non-deductible items impact your taxes and financial statements.

Keeping your Mobile Phone Secure

Bancorpsouth.com

Your phone contains sensitive information about you, your finances, and your family. That's why it's critical to protect this information. As the owner of a mobile phone, there are several changes you can make and ongoing habits you should learn to keep your phone safe.

Setting up Security on Your Mobile Phone

The first and most important thing you should do to protect your mobile phone is to set up a lock screen with a password, PIN, or pattern. That way, if your phone is stolen or you lose it, all of the information on the phone will not be automatically available to whoever has it or finds it. Adjust your phone's settings so it locks just a minute or two after being used. If you delay the locking process, you risk having it fall into the wrong hands before it is locked. Even if you have the best of intentions, the chances are that at some point, your phone will become separated from you. Make it easier to recover if it is lost by activating a tool to locate your phone remotely. Also, you want a feature on the lock screen that allows someone who finds your phone to have sufficient contact information to get in touch with you. If you store particularly sensitive information on your phone, consider signing up for a service that allows you to wipe your phone remotely if needed.

Best Practices for Mobile Phone Security

Update your software whenever a new or updated operating system is available. The updates often address security loopholes, so it is important for you to have the latest version to give your phone the best possible protection. It is also a good idea to update apps, particularly banking apps, whenever they release new versions.

Only download apps from trusted sources, and pay attention to the permissions that apps request. For example, you may notice that an app requires access to your complete browsing history, GPS location, and all of your text messages. Unless the app has good reasons to have this information and you fully trust the developer, you probably want to avoid it. Use caution on unsecured Wi-Fi networks. Do not allow your phone to connect automatically to any available open network, and when you do connect, pay attention to what websites you visit and apps you use over that connection. Any information you send or receive is vulnerable to interception, so save your banking for a secured network.

Log out after making purchases, and don't store passwords on your phone. If someone can get past your lock screen, you do not want them to have open access to all of your accounts.

What to Avoid

Don't use the same PIN or password on your lock screen that you use elsewhere. You unlock your phone all the time, and if someone is watching, you do not want them to have information that he or she could then use to hack into your other accounts. While it may be tempting just to use the same PIN as your ATM card, that is not a number you want to have floating around. Remember that your address is not a very secure PIN either. Don't recycle or trade in your phone without fully wiping it. You may think that you do not have to worry about security once the phone is not yours, but traces of information on the phone could be enough to leave you vulnerable. Complete a full wipe and reset the internal memory to factory settings before letting the phone go.

Beware Fake Google Robocall Scammers Targeting Small Businesses Like Yours

Sep 5, 2017; Smallbiztrends.com

Have you ever answered a phone call from an unknown number, only to hear a pre-recorded message? These "robocalls" are very common, and most of them are scams. In particular, scammers pretending to work with Google often target small business owners. Keep reading to learn how to stop receiving these annoying, predatory, and illegal calls.

The Real Problem with Robo Sales Calls: They're Illegal

A robocall is an automated phone call that plays a recorded message. As technology makes it cheaper and easier for scammers to send these calls out en masse, robocalls are becoming increasingly prevalent. An estimated 2.4 billion robocalls are made every month. Almost everyone with a phone gets them sometimes. Robocalls aren't just annoying. They're illegal, unless you've signed up to receive them, and they're often fraudulent. Most of the time, robocalls are sent out by scammers to scare people into handing over money or personal information.

How? One common scenario is that you receive an automated call from someone who claims to work for or be affiliated with Google. Some of these callers might claim they can improve your site's ranking if you pay a fee or sign up for their service. Others might say your business listing is about to expire, and offer to renew or manage it for you. There are lots of ways these scammers might try to fish for your credit card number or other personal information, and you shouldn't fall for any of them. Even though this type of call isn't legitimate, many people mistakenly think Google is behind them. This has tarnished Google's name a bit, and Google has taken steps to fight back. In 2015, Google sued Local Lighthouse, a California-based SEO company that had been robocalling people and falsely claiming to be affiliated with Google. Google has also published a page with details on how to tell if a call is a scam, and they've set up a form where people can submit details about robocalls they've received.

Despite all of this, the practice of robocalling is still alive and well. Many of these scammers live overseas and use technology to spoof U.S.-based caller IDs, making them difficult or impossible to track down. It looks like robocallers are going to be around for a while, so what should you do if you find yourself on the line with one?

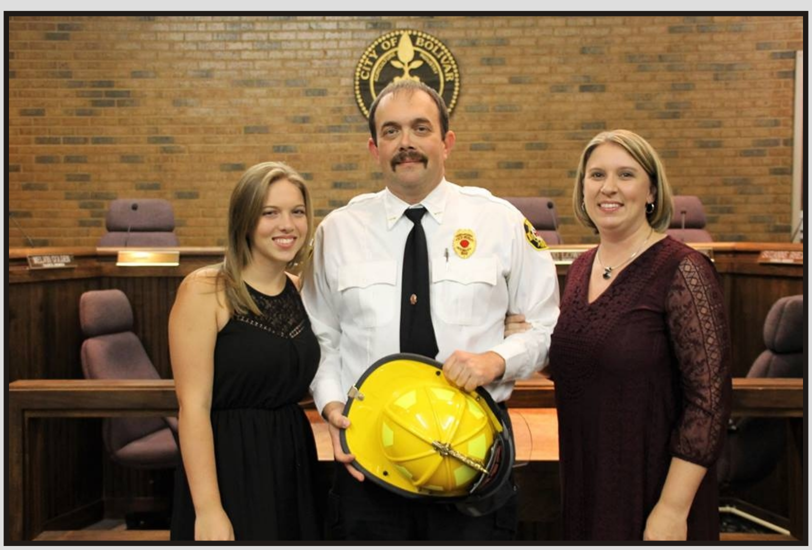
Identifying a Scam

First, make sure the call is a scam. This usually isn't hard to do. If you're not sure, there are a few red flags you can look for:

- First, know that Google doesn't use pre-recorded messages unless you request an automated call from them. Any legitimate, unsolicited call from Google will have a real person on the other end.
- It doesn't cost any money to list your business or manage your listing on Google. Don't trust anyone who wants to do this for a fee.
- Likewise, you can't pay Google to improve your website's ranking.
- Google will not ask you for personal information like your date of birth or credit card number over the phone. (Nor, for that matter, will any other legitimate company.)

SIPES & SEATON
CPAs, Business Advisers & Appraisers
Minimizing Taxes™ - Protecting Assets - Building Wealth
166 W. University Parkway; Suite B
Jackson, TN 38305

Congratulations!



Engineer Eric Seaton was promoted to the position of Lieutenant at the Bolivar Fire Department on September 25, 2017.
Mr. Seaton has served the Bolivar Fire Department for 17 years.