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Registered Investment Advisor

www.VintageFS.com

Fall 2018 Vol. XXXIV No. III

From the Grapevine...

Congratulations to John Owens who has been promoted to Senior Financial Planner at Vintage. John earned the Certified Financial Planner (CFP®) designation in August and the Enrolled Agent (EA) tax designation earlier this year. He's currently pursuing a Master's in Financial Planning and Taxation from Golden Gate University. Vintage now boasts six fee only CFP's, by far the most of any firm in Washtenaw County.

Todd Perry also picked up a new designation recently adding the Certified Private Wealth Advisor (CPWA®) to his CFP® and Certified Investment Management Analyst (CIMA®) credentials.

On the more personal side, congratulations to Candace Kinsler, a 22-year Vintage veteran, on the birth of her first grandchild, Carter. Candace will cut back her hours at Vintage to spend time with him. And congrats to Garrett Henderson, Joe Henderson's son, who will be a freshman at UofM this fall.

AVOIDING IRS SCAMS

Each year criminals attempt to defraud taxpayers through scams, often posing as the IRS and manipulating people into taking immediate action. The IRS has released guidance on how to avoid getting scammed.

For most taxpayers, the IRS will initiate any contact in the form of a letter. These notices will arrive in the regular mail and are often the start of any interaction with them. While the IRS can initiate contact in person or over the phone, such instances are rare for most taxpayers.

If you find yourself on the phone with someone claiming to be an IRS representative, keep in mind that the IRS will not demand a specific payment method such as gift cards, prepaid debit cards, or wire. Any payments they request will be made to US Treasury or at www.irs.gov/payments.

Should someone show up at your home or business claiming to be an IRS representative you should request to see their credentials. If you're suspicious or concerned they may not be an employee, they should be able to provide a toll-free number to call and verify their employment.

Finally, the IRS does not use email, social media, or texting to solicit payments. If you receive an email asking for tax payments, you should report it to phishing@irs.gov.

Feel free to contact us if you have questions or receive something that appears suspicious. We have experience handling IRS notices and can help determine if something you receive is legitimate.

APPROACHING COLLEGE FINANCES RESPONSIBLY

Each year, millions of students head off to college for the first time. A time for excitement, change, and opportunity that impacts both the personal and financial lives of both the student and their family. And, if you're lucky enough to have built a nest egg for your child or grandchild's education, then you may be faced with a different decision. How can I get them to take ownership of their education when I'm paying for it?

We get asked this question quite frequently by clients. "My son is heading off to college this fall, I've saved for this since he was born, and I don't want him to goof off too much." Or, "How can my daughter have some 'skin in the game' when she's not paying for this?"

There's ways to make sure this happens even if you've built a strong 529 funding account for them. Here are some ideas.

First, find a college expense for them to pay for out of their own pocket or other savings. Textbooks are an easy go-to here. Tell your college student that you'll pick up the tuition, room, and board, but when it comes to buying your textbooks and supplies, that's where the goodwill ends.

Since the textbook market is all over the place (from Amazon to the bookstore and everything in-between), if they want to save some money, they'll be incentivized to shop around, rent, use e-books, or even share their textbooks. Either way, it gets them financially involved in the process.

Linking the college funds to certain expectations is another option. Scholarships often carry GPA requirements. You can do the same with your 529 savings. Fall below a certain GPA,

and you're on your own for the semester. With private college tuition upwards of \$40,000 per year, that's plenty of incentive to work hard.

Another excellent option is to link college funding with a summer job requirement. Lifeguarding at the local pool, cutting grass, or scooping ice cream to earn a few bucks in order to get access to your 529 isn't that bad.

Finally, if your savings isn't sufficient to cover all four years, it might make sense to have your student get some student loans freshman year to help cover the difference. That way, they're incentivized from day one to do well, apply for scholarships, and graduate on time to save money.

College marks a significant change for families. Taking proactive steps to help your college student understand expectations, buy in to the process, and look ahead can make a world of difference.

MEET JAMIESON HOPP

This summer we added another financial planner at Vintage. Jamieson Hopp grew up in eastern Washington state and attended Colorado State University in Fort Collins. Jamieson earned a Bachelor of Science degree in Financial Planning while at CSU and has completed the required coursework to sit for the CFP exam which he plans to take later this year.

Prior to starting at Vintage, Jamieson gained experience as an intern at another fee only financial planning firm in Colorado. Jamieson helps clients with service requests, is part of the Vintage tax team and assists the Senior Financial Planners.

Jamieson is an avid sports fan and is excited to be in Ann Arbor where the football team is a little better than his alma mater's.

NEW TAX FORMS FOR NEW TAX LAWS

In late June, the IRS unveiled a draft of a new 1040 form that would replace the current 1040, 1040A and 1040 EZ forms. The idea of making your taxes so simple that you could file them on a postcard was pushed during the 2016 elections and the new form attempts to do that, though about 90% of returns are filed electronically today.

For most taxpayers, the tax law changes that take effect this year will dramatically simplify their filing. The big increase in the standard deduction means many people that itemized their taxes in the past will find it better to simply take the standard deduction and they can do away with their Schedule A form and the accompanying receipts and documents.

The draft of the new 1040 form cuts the number of lines from 79 to 23, though many of the removed lines have been moved to other forms including a new Schedule 1. While the new changes mean fewer tax brackets and lower tax rates for most taxpayers, the new rules mean that tax planning strategies have changed. And the new withholding rates may or may not work in your situation. In fact, the IRS is concerned that many taxpayers will find that they have underpaid their taxes this year and will be hit with a large balance due along with penalties come April.

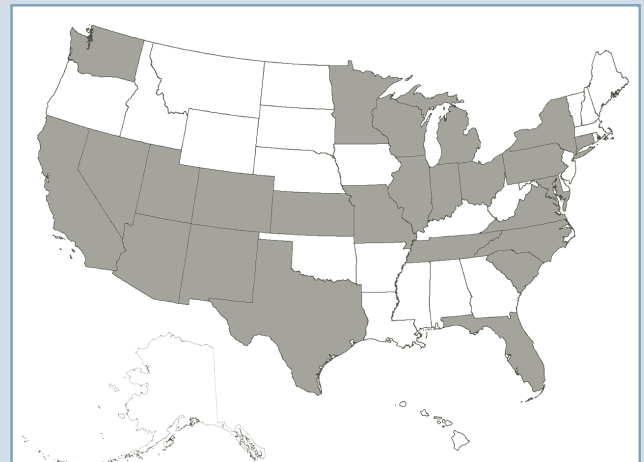
If you haven't done any tax planning to see the impact of the new laws, now is the time to do it, not after January 1 when it may be too late. Some new strategies may mean accelerating or deferring potentially deductible items. Clients can contact our tax team at Vintage for complimentary assistance. We can mock up your return with estimated figures before the year is out and look for opportunities to reduce your tax bill.

WHERE ARE OUR CLIENTS?

One question we sometimes get is “where do our clients live?” We decided to take a look and the findings may surprise you.

Clients and friends often assume that most of our clients live in the Ann Arbor area, but just over a quarter of our clients actually reside in Ann Arbor. And while the majority of our clients reside in Michigan, we have clients spread across the country.

Currently, Vintage serves clients in 25 states plus the District of Columbia, ranging from New York to Florida, across to southern California and Washington state. The map below illustrates the breadth of our client base.



With virtual meeting technology, interactive financial planning software, and our investment portal, ModestSpark, we can provide the same client experience regardless of where you call home.

If you know someone looking for a fee-only financial planning firm that does detailed tax planning and preparation, retirement planning, and investment management, we're happy to have a conversation with them, whether they live down the street or across the country. Have them check out our website at www.vintagefs.com where they can easily schedule a convenient time to meet.

VINTAGE FINANCIAL SERVICES OFFERS

Fee only investment management, financial planning,
and tax preparation.

Minimum portfolio \$500,000
(401(k) balance may count toward minimum).

For a no charge, no obligation initial interview please call our office
at (734) 668-4040 or (800) 666-9237 or e-mail:

Succeed@VintageFS.com

Or visit our website at www.VintageFS.com

- Retirement Planning
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Plan to succeed.

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PAID
ANN ARBOR, MI
PERMIT #229

101 North Main Street, Suite 800
Ann Arbor, MI 48104

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**INSIDE
THIS
ISSUE:**

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NEW TAX FORMS
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