



FAS

FINANCIAL ACHIEVEMENT SERVICES INC.

# THE NAVIGATOR

NEWS FROM TEAM FAS

February  
2018

# THE TAX CUTS AND JOBS ACT

HOW THE RECENT CHANGES IN WASHINGTON MIGHT AFFECT YOU IN THE FUTURE

NAVIGATING LIFE'S EXPERIENCES<sup>SM</sup>



# PRESIDENT'S MESSAGE

MATT ARNOLD, CFP®  
President of FAS

2018 marks the ninth year of economic Recovery from the Great Recession of 2008. This is the third longest lasting Recovery since 1950.

We have recently experienced some short term volatility in the market. We know this can seem breathtaking at times, but volatility creates opportunities for managers to make purchases at more attractive prices. Volatility is a part of investing. If you have concerns about your portfolio or would like to revisit your tolerance for risk, please give us a call. We are optimistic that 2018 will be another positive year in the market and this Recovery may set a new record and be the longest lasting in our history.

Next, I would like to ask you all for a favor. Many of you remember the days when our team member Dawn Oswalt handled a good part of our scheduling, greeted you as came in for your appointments, and fielded many of your phone calls. These days Dawn works one day a week and assists us with keeping up with many of our regulatory requirements. Dawn has recently been diagnosed with breast cancer. She will soon begin chemotherapy. I ask that you all keep Dawn, her husband Brian, and their family in your thoughts and prayers as she journeys down this road to her recovery.

**MARK YOUR CALENDARS!**  
**DOCUMENT SHRED DAY**

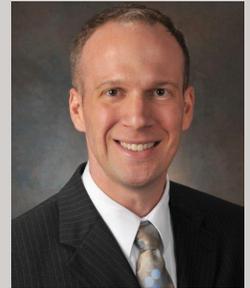
**Saturday, July 7, 2018**  
**8:30AM-11:30AM**



## TEAM SPOTLIGHT

### NICK BURNS, DIRECTOR OF CLIENT SERVICES

Please join us in congratulating Nick Burns on his recent promotion. Nick will hold the position of Director of Client Services at FAS, with the responsibility of managing day to day operations, performing account research and providing training on new technology and process flows. Nick recently earned his Series 7 and 66 license from the Financial Industry Regulatory Authority, qualifying Nick as the FAS team's most recent Registered Representative.



### JULIA PLESSINGER, ADMINISTRATIVE ASSISTANT

Help us send a warm welcome to Julia Plessinger as she joins the FAS team as our newest Administrative Assitant. Julia joins us after working for over 15 years in office administration and client service roles for the Financial Services industry in Miami County, Ohio. Julia will be the face at the front desk and will be your main point of contact for client communication and scheduling.





# THE NEW TAX CUTS AND JOBS ACT

HOW WILL IT AFFECT YOU AT TAX TIME? HERE ARE SOME OF THE TOP CHANGES TO BE AWARE OF:

On December 22, 2017, President Trump signed the Tax Cuts and Jobs Act (H.R. 1). This historic legislation was designed to cut taxes on individuals and businesses, stimulate the economy and ultimately create additional jobs. The provisions of this sweeping tax law go into effect for tax years beginning after December 31, 2017 unless otherwise noted and remain until the year 2025 unless Congress takes further action. The following information highlights some of the most important provisions in the TCJA that might affect you and your family in the coming years.

## Individual Tax Rate Reduction

The linchpin to the TCJA is a sweeping reduction in individual tax rates. The number of tax brackets has been retained from the past, but each bracket has been reduced slightly. The top individual tax bracket, which applies to joint filers with taxable income over \$600,000 (single filers over \$500,000), falls from 39.6% to 37%. The remaining brackets as identified in Internal Revenue Code (IRC) section 1 will be set at 35%, 32%, 24%, 22%, 12% and 10%. The top corporate tax bracket will fall from 35% to 21%.

## Standard Deduction Changes

Beginning this year, the new tax rules also affect the standard deduction and exemptions you take at tax time. The standard deduction will nearly double from \$13,000 to \$24,000 for married couples, from \$6,500 to \$12,000 for single taxpayers, and from \$9,550 to \$18,000 for those using the Head of Household filing status.

In exchange for the higher standard deduction, the personal exemption of \$4,150 which was available for the filer, his or her spouse, and dependents under prior tax law, will be eliminated.

Tax Rate	Individuals	Married Filing Jointly
10%	Up to \$9,525	Up to \$19,050
12%	\$9,526 to \$38,700	\$19,051 to \$77,400
22%	38,701 to \$82,500	\$77,401 to \$165,000
24%	\$82,501 to \$157,500	\$165,001 to \$315,000
32%	\$157,501 to \$200,000	\$315,001 to \$400,000
35%	\$200,001 to \$500,000	\$400,001 to \$600,000
37%	over \$500,000	over \$600,000

Under the new tax law the Child Tax Credit will double to \$2,000 per child under the age of 17. In addition, the income phase-out to claim the Child Tax Credit will increase considerably from \$75,000 to \$200,000 for single taxpayers, from \$110,000 to \$400,000 for married taxpayers filing jointly, and from \$55,000 to \$200,000 for married taxpayers filing separately.

## Itemized Deductions

Several changes will also affect the itemized deductions you will be able to claim. The deduction for miscellaneous itemized deductions that are subject to the 2% floor are no longer deductible. (examples of these expenses: union dues, unreimbursed business expenses, investment advisory fees, tax preparation fees, etc.). The reduction of itemized deductions for higher income taxpayers has also been suspended.

State and local taxes can still be deducted, but they will be limited to \$10,000 per taxpayer.

Interest on mortgages for primary and secondary residences is still deductible. The limit for this reduction has been reduced. Loans up to \$750,000 can take this deduction, which is down from \$1M in years prior. One major change: the legislation repeals the deduction for interest paid on home equity debt. Interest is still deductible on home equity loans (or second mortgages) if the proceeds are used to substantially improve the residence.

The personal casualty and theft loss deduction has been suspended except for losses incurred in a Federally-declared disaster.

## Alimony

The TCJA has also made changes to the tax treatment of alimony. Alimony paid is no longer deductible by the payor spouse and is no longer income for the payee spouse. These changes take effect for divorce or separation agreements executed after December 31, 2018.

## Medical Expenses

The threshold for deduction of medical expenses has been reduced for all taxpayers from 10% under previous law to 7.5% of Adjusted Gross Income. *(continued on next page)*

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## CONTINUED FROM INSIDE: THE TAX CUT AND JOBS ACT

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### Medical Expenses, Cont.

This change applies to 2017 taxes. This change applies to 2017 & 2018 taxes. In 2019, the threshold will return to 10%.

### Health Insurance

The individual health insurance mandate requiring taxpayers to be covered by health insurance will be repealed under new law. This change becomes effective in 2019.

### Education

The definition of higher education expenses has also been expanded under the new law. If you have a 529 plan, parents can now use up to \$10,000 per year to pay for K-12 education tuition at an elementary or secondary public, private, or religious school.

### Estate & Gift Tax

The estate and gift tax exclusion amount was increased from a base of \$5 million per person to \$10 million per person based on 2011 dollar amounts. For 2018, the inflation adjusted exemption amount will be approximately \$11.2 million.

**And finally...** Contributions made for the right to acquire college athletic seating rights is no longer deductible.

*This is for informational purposes only. Representatives of Signator Investors, Inc. do not provide tax and legal advice. Please consult your tax advisor or attorney for such guidance.*

*Source: House Committee on Ways & Means ([www.waysandmeans.house.gov/tax-cuts-jobs-act-resources](http://www.waysandmeans.house.gov/tax-cuts-jobs-act-resources)), Thomson Reuters ([www.tax.thomsonreuters.com](http://www.tax.thomsonreuters.com))*