



## Dignum Financial Partners

Partnering with You

Volume VII, Issue II

April, 2015

### Upcoming Events

**April 3:** Good Friday Holiday. Our office & the NYSE will be closed.

**April 10:** Texas Rangers Opening Day!!

**April 17:** Shred Fest at our office from 3:30-6:30

**May 25:** Memorial Day Holiday. Our office & the NYSE will be closed.

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## Last-Minute Tax Tips

It's that time of year again — tax filing season. And while many taxpayers have already filed, there are those of us who always find ourselves scrambling at the last minute to get our tax returns filed on time. Fortunately, even for us procrastinators, there is still time to take advantage of some last-minute tax tips.

### If you need more time, get an extension

Failing to file your federal tax return on time could result in a failure-to-file penalty. If you don't think you'll be able to file your tax return on time, you can file for and obtain an automatic six-month extension by using IRS Form 4868. You must file for an extension by the original due date for your return. Individuals whose due date is April 15 would then have until October 15 to file their returns.

In most cases, this six-month extension is an extension to file your tax return and not an extension to pay any federal income tax that is due. You should estimate and pay any federal income tax that is due by the original due date of the return without regard to the extension, since any taxes that are not paid by the regular due date will be subject to interest and possibly penalties.

### Try to lower you tax bill

While most tax-saving strategies require action prior to the end of the tax year, it's still not too late to try to lower you tax bill by making deductible contributions to a traditional IRA and/or pre-tax contributions to an existing qualified Health Savings Account (HSA). If you're eligible, you can make contributions to these tax-saving vehicles at any time before your tax return becomes due, not including extensions (for most individuals, by April 15 of the year following the year for which contributions are being made).

For tax year 2014, you may be eligible to contribute up to \$5,500 to a traditional IRA as long as you're under age 70 1/2 and have earned income. In addition, if you're age 50 or older, you may be able to make an extra "catch-up" contribution of \$1,000. You can make deductible contributions to a traditional IRA if neither you nor your spouse is covered by an employer retirement plan; however, if one of you is covered by an employer plan, eligibility to deduct contributions phases out at higher modified adjusted gross income limits. For existing qualified HSAs, you can contribute up to \$3,300 for individual coverage or \$6,550 for family coverage.

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## Financial Fact vs. Fiction

**Fiction:** A trust automatically avoids probate.

**Fact:** Trust planning is becoming more and more popular in the U.S. as a creative way to pass large assets to heirs while hopefully avoiding a probate proceeding. Without going into too much detail about the different kinds of trusts available (because they may vary by state), it's important to note that having a trust will not automatically avoid a probate proceeding after death.

The first step after you execute your trust is to retitle the assets that you wish the trust, vis-à-vis the trustee, to manage. If you pass away without retitling all of your trust assets, then assets that remain outside the trust will be subject to disposition according to your will, and a probate proceeding will be likely.

**Fiction:** I would be better off buying term life insurance (rather than whole life) so that I can invest the difference.

**Fact:** One problem with this idea is that many people don't actually invest the difference, losing out on the potential growth of those funds over time. Furthermore, if you need insurance beyond the term of a previously purchased policy, premiums are likely to be more expensive for similar coverage due to your advanced age. And if your health has changed since you last applied for insurance, you may not be able to obtain coverage at all. It's wise to discuss your options with a financial or insurance professional.

Source: Commonwealth

# Last-Minute Tax Tips

—Continued from Page 1

## Use your tax refund wisely

It's easy to get excited at tax time when you find out you'll be getting a refund from the IRS—especially if it's a large sum of money. But instead of purchasing that 60-inch LCD television you've had your eye on, you may want to use your refund in a more practical way. Consider the following options:

- Deposit your refund into a tax-saving vehicle (if you're eligible), such as a retirement or education savings plan—the IRS even allows direct deposit of refunds into certain types of accounts.
- Use your refund to pay down any existing debt you may have, especially if it is in the form of credit-card balances that carry high interest rates.
- Put your refund toward increasing your cash reserve—it's a good idea to always have at least three to six months worth of living expense available in case of an emergency.

Finally, a tax refund is essentially an interest-free loan from you to the IRS. If you find that you always end up receiving a large income tax refund, it may be time to adjust your withholding.

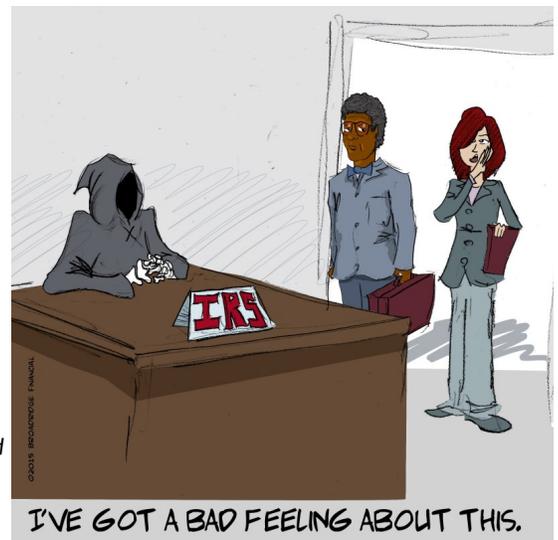
## Beware of possible tax scams

Though tax scams can occur throughout the year, they are especially prevalent during tax season. Some of the more common scams include:

- Identity thieves who use your identity to fraudulently file a tax return and claim a refund.
- Callers who claim they're from the IRS insisting that you owe money to the IRS or that you're entitled to a large refund.
- Unsolicited emails or fake websites, often referred to as "phishing," that pose as legitimate IRS sites to convince you to disclose personal or financial information.
- Scam artists who pose as tax preparers and promise unreasonably large or inflated refunds in order to commit refund fraud or identity theft.

The IRS will never call you about taxes owed without sending you a bill in the mail. If you think you may owe taxes, contact the IRS directly at [www.irs.gov](http://www.irs.gov). In addition, the IRS will never initiate contact with you by email to request personal or financial information. If you believe that you've been the victim of a tax scam, or would like to report a tax scammer, contact the Treasury Inspector General for Tax Administration at [www.treasury.gov/tigta](http://www.treasury.gov/tigta).

Source: Forefield



## What do lower oil prices mean for you?

Since mid-2014, crude oil prices have been on the decline, causing gas and other oil-product prices to drop significantly. Although the long-term economic impact of falling oil prices remains to be seen, this dramatic price change is affecting Americans' everyday lives in a number of ways.

### Big savings at the pump

The most notable change, of course, is that it costs a lot less to fill your car's tank these days, with the average gas price in the U.S. hovering just below \$2.30 per gallon. Overall, U.S. consumers save about \$1.5 billion for every penny that the price of gas falls, according to Gluskin Sheff & Associates.

Thanks to the extra cash in Americans' pockets, personal spending jumped 4.3 percent in the fourth quarter of 2014, up from 3.2 percent in the third quarter. In January, consumer confidence was at its highest level in more than seven years.

So what are Americans doing with all this newfound cash and confidence? Spending has increased in two key areas:

**New cars:** Auto sales climbed in January (typically a slow month), and the Conference Board reported an uptick in the number of people planning to buy a new car in the next six months. According to Kelley Blue Book, sales are expected to rise 13 percent, to 1.14 million, in 2015.

**International travel:** Combined with the strong dollar, lower international airfares have many people planning trips abroad in 2015.

### What isn't changing . . . yet

Of course, lower oil prices aren't translating to lower costs across the board.

**Domestic flights.** Unfortunately, although traveling internationally or filling your tank for a road trip might be cheaper, domestic airfares remain largely unchanged. If oil prices continue to drop, fares may start to tick down later in 2015, but don't look for them to budge in the near future.

**Real estate.** In communities where oil-related industries provide many local jobs, falling prices have the potential to put a damper on the real estate market. In other communities, however, the savings from oil costs (in terms of home heating, transportation, and the like) might actually boost homeownership. In any case, there tends to be a substantial lag before the real estate market reacts to such a price drop.

### For most people, a welcome boost

Along with positive economic factors, lower oil prices have bolstered Americans' purchasing power, allowing people to spend more (or save more). So far, the drop in oil prices has had mostly favorable consequences for the everyday consumer.

Source: *Commonwealth*

### Steps to accessing your account online

To view your account online:

1. Visit our website at [dignumfinancial-partners.com](http://dignumfinancial-partners.com).
2. On the left hand side of the screen, click on "Access My Accounts".
3. Click on the Investor360 button.

If you have never accessed your account online and would like to get started, please feel free to contact us. We will be able to get you all set up in less than 5 minutes!



Don't forget to follow us on Facebook and Twitter as well!



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*Dignum Financial Partners does not provide legal  
or tax advice. You should consult a legal or tax  
professional regarding your individual situation.*

### DFP Happenings

- Our Shred Fest will be held on Friday, April 17th! We have already emailed the invitations, along with a retention schedule for you to reference. If you haven't RSVP'd to us already, please do so by April 10th so we can have enough BBQ for everyone!
- In early July will be hosting an iPad and iPhone seminar. Watch your electronic mailboxes for more information later this quarter!
- Both DFP and Commonwealth Financial Network take your information security very seriously! As you know, we have many procedures, email encryptions and internet firewalls in place to protect your valued information. Recently, Kim learned of another layer of protection that Commonwealth uses to insure your information is safe. At the home office campuses, Commonwealth will hire "hackers" to come in and pose as a worker for an outside firm (such as a copier repair company). These hackers are hired to see if they are able to breach these security levels.
- Doing your retirement planning? Before having us prepare your retirement analysis, it is an interesting drill to go to [www.livingto100.com](http://www.livingto100.com). This 5 minute drill will give you an estimate of your longevity. While there certainly are no guarantees, this program incorporates factors such as lifestyle, nutrition and medical history. The good news is Kim's calculated to living to 101!