

Upcoming Events

Jan 2: New Year's Day Holiday. Our office & the NYSE will be closed.

Jan 16: Martin Luther King, Jr. Holiday. Our office & the NYSE will be closed.

Feb. 2: Shana's birthday!

Feb. 20: President's Day Holiday. Our office & the NYSE will be closed.

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Dignum Financial Partners

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IRS Benefit Plan Limits for 2017

The Internal Revenue Service has announced contribution limits for the retirement plan participants for 2017.

The following tables display the 2016 and 2017 limits for a host of tax breaks:

IRA and Roth Limits	2017 Limit	2016 Limit
IRA and Roth Contribution Limit	\$5,500	\$5,500
Catch-Up Contribution ²	\$1,000	\$1,000
SEP and SIMPLE IRA Limits		
SEP Minimum Compensation	\$600	\$600
SEP Maximum Compensation	\$270,000	\$265,000
SIMPLE Contribution Limit	\$12,500	\$12,500
SIMPLE Catch-Up Contribution ²	\$3,000	\$3,000
401(k) Plan Limits for Plan Year	2017 Limit	2016 Limit
401(k) Elective Deferral Limit ¹	\$18,000	\$18,000
Catch-Up Contribution ²	\$6,000	\$6,000
Defined Contribution Dollar Limit	\$54,000	\$53,000
Compensation Limit ³	\$270,000	\$265,000
Highly Compensated Employee Income Limit	\$120,000	\$120,000
Key Employee Officer Limit	\$175,000	\$170,000
Non-401(k) Limits		
403(b) Elective Deferral Limit ¹	\$18,000	\$18,000
Defined Benefit Dollar Limit	\$215,000	\$210,000
457 Employee Deferral Limit	\$18,000	\$18,000

Some associated tax breaks and other items have changed for 2017. Here are the highlights:

- The annual compensation limit used to calculate contributions is increasing from \$265,000 to \$270,000.
- The limitation on the annual benefit under a defined benefit plan is increasing from \$210,000 to \$215,000.
- The dollar limitation concerning the definition of "key employee" in a top-heavy retirement plan is increasing from \$170,000 to \$175,000.
- For single taxpayers covered by a workplace retirement plan, the phase-out range for traditional IRA contributions is \$62,000 to \$72,000, up from \$61,000 to \$71,000.

Continued on Page 2

Financial Fact vs. Fiction

Fiction: Waiting to file your taxes won't make you more vulnerable to identity theft.

Fact: To avoid identity theft, it's best to file your taxes as early as possible. In a common scheme, thieves use someone else's social security number to file a fraudulent tax return and collect a refund. Then, when the real taxpayer files, he or she receives a notice from the IRS stating that a return has already been submitted under that Social Security number. So the faster you act, the less time an identity thief has to file a return in your name. To keep scammers from getting your information in the first place, be vigilant about how and with whom you share personal data, and always shred documents that contain such data instead of throwing them in the trash.

Fiction: Providing financial support to my adult children is a good idea since there are no taxes on the amount I give.

Fact: One element to consider when providing substantial financial support to a child is the annual IRS gifting limit. At what point does your monetary support become taxable? For 2017, couples can gift up to \$28,000 before having to report the amount to the IRS. It's important to note that gift and estate tax rules differ from state to state, so be sure to consult with your tax professional.

Source: Commonwealth

IRS Limits for 2017 —continued from page 1

- For married couples filing jointly, where the spouse who is making the IRA contribution is covered by a workplace retirement plan, the phase-out range is \$99,000 to \$119,000, up from \$98,000 to \$118,000.
- For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$186,000 and \$196,000, up from \$184,000 and \$194,000.
- The modified adjusted gross income (MAGI) phase-out range for taxpayers making contributions to a Roth IRA is now from \$186,000 to \$196,000 for married couples filing jointly, up from the previous \$184,000 to \$194,000 range. For singles and heads of household, the income phase-out range is from \$118,000 to \$133,000, up from the previous \$117,000 to \$132,000 range.

¹Employee deferrals to all 401(k) and 403(b) plans must be aggregated for purposes of this limit.

²Contributors must be age 50 or older during the calendar year.

³All compensation from a single employer (including all members of a controlled group) must be aggregated for purposes of this limit.

This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Investors should consult a tax preparer, professional tax advisor, and/or a lawyer.

Source: Commonwealth

Investor360[®] Helpful for Preparing Taxes

With tax season upon us, I wanted to let you know that, if you're using TurboTax[®] or H&R Block[®] software, Investor360[®] can save you time and aggravation by accurately transferring the investment account information you'll need to complete your federal return.

Take a look at this [brochure](#) for instructions on how to access, select, and import everything you need into TurboTax, safely and easily; or this [brochure](#) on how to access, select, and import everything you need into H&R Block, safely and easily.

Tax forms such as form 1099R and 5498 can also be downloaded from Investor 360[®] under the Statements and Documents tab. They will generally show up faster online than they are sent to you by mail. This will allow you to easily print them to attach to your tax return to email them to your tax accountant.

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Before downloading, please be sure:

- Your iPhone runs iOS 7.1 or above
- Your iPad runs iOS 9 or above
- Your Android smartphone or tablet runs 4.4.2 or above (The app is not yet compatible with the new Android operating system, Marshmallow, but should be soon.)

Source: Commonwealth

Travel Insurance: What you need to know

When booking trips, we are often asked if we want to purchase travel insurance. Often one of the hardest decisions to make, here are some tips to help you answer that question.

Is travel insurance necessary? The question to ask yourself is, “How much can I stand to lose if something prevents me from taking the trip?” You should consider it for cruises or package tours, or if you are traveling abroad.

What is covered? Most policies cover injury or illness, missed connections or unpredictable events such as a terror attack. In these cases, you would be reimbursed for costs such as your airline fare that is generally not refundable. Some more expensive policies have broader coverage; however, most travel insurance doesn't include health care abroad and most health insurance plans won't cover you overseas either. Some companies, such as Travelex, offer hybrid policies that include both travel and primary health insurance. Always read the fine print and make sure the policy is appropriate for your situation. For instance, if you or a family member has a medical problem that could require a cancellation, confirm that your policy includes a waiver for pre-existing conditions. Even after you have purchased the policy, you generally have a 10 day period to review the policy and reconsider.

How much does it cost? Determining factors include: the price and length of the trip, your age and the optional add-ons. Typically, a base policy will run you 3 to 5 percent of the trip's prepaid, nonrefundable costs. However, the broader coverage can cost anywhere from 7 to 10 percent. There are some that are only available if you buy the policy within 14 days of your initial travel purchase. Some policies are more expensive if you're older or are engaging in a risky activity.

How do I find a good policy? Most airlines, cruise lines, and tour operators offer optional insurance (also called wholesale policies) that tend to have more exclusions. Travel agencies will offer policies as well. You can also buy direct through one of the travel-insurance companies, but choose a company that is a member of the U.S. Travel Insurance Association (UStiA). A few of the bigger companies include: Allianz Global Assistance, CSA Travel Protection and Travel Guard. To help you research before you buy, there are many websites that specialize in comparing the insurance policies, such as Squaresmouth, Travel Insurance Review, TripInsurance.com and InsureMyTrip.com.

So, I purchased travel insurance and my trip was cancelled—what happens now? It typically takes up to four weeks to process a claim. You will first receive an acknowledgment of your claim and then a final decision within one to two months. If you get a rejection, you can appeal it by writing a brief letter with any new information relevant to the case. Appeals are usually reviewed by several adjusters at a more senior level, but the process can sometimes take as long as the initial claim.

Source: *Travel+Leisure* Nov. 2016 issue

Steps to accessing your account online

To view your account online:

1. Visit our website at 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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or tax advice. You should consult a legal or tax
professional regarding your individual situation.*

DFP Happenings



Feeding the Community

A big THANK YOU to everyone to donated food items for our “Will Plan 4 Food” drive over the holidays. Once again, it was a big success. Thanks again for partnering with us on giving back to the community! We will take the donation to the Tarrant Area Food Bank once they re-open from their holiday break. Stay tuned to find out how much was donated this year!

We will be hosting our annual Shred Fest again this year after tax season. Start gathering all that unnecessary paperwork to purge and watch for more information later this quarter in your inbox!

On February 2nd, Shana will be celebrating her birthday!

On March 17th Rhonda will realize her 20th year with the Dignum Financial Partners!

