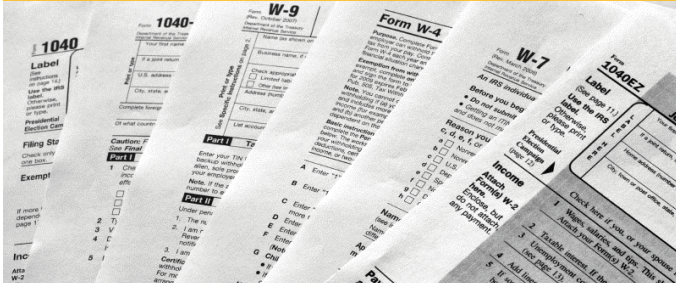


Important Tax Information



- The personal exemption is a deduction that reduces your taxable income. Individuals are entitled to claim a personal exemption for themselves and any qualifying dependents. The personal exemption is \$3,900 for 2013 and \$3,950 for 2014.
- Schedule your tax appointment and gather your documents to bring to your appointment.

Tax Savings for Winter Colds



Jack Frost's whipping winds tend to bring running noses and winter colds. When visiting your doctor, if you receive a prescription for medication to help your cold, a health flexible spending account (FSA) could help your pocket book.

An FSA allows employees to be reimbursed for medical expenses. FSAs are usually funded through voluntary salary reduction agreements with your employer. The benefits of

an FSA are that no employment or federal income taxes are deducted from your contribution. Some employers will even contribute to your FSA account.

Withdrawals may be tax free if you use the funds for qualified medical expenses. You can withdraw funds from the account to pay for qualified medical expenses even if the funds are not yet in the account.

Your insurance company can provide you with a list of qualified medical expenses. In general, non-prescription medicines (other than insulin) are not considered qualified medical expenses for FSA purposes. However, it covers most medical, dental, vision and pharmacy expenses.

Medical FSA contributions are limited to \$2,500 per year. In general, the contributions must be withdrawn for qualified medical expenses by the end of your plan year. At year-end, a business can offer a 10-week grace period to use unspent FSA money or provide an option of rolling over up to \$500 of unused amounts in the account to the next year. The FSA plan cannot offer both and the option must be designated in the plan documents.

Did You Know?

According to the Tax Foundation, in 1997, 61 percent of all income taxes were paid by taxpayers over age 45. Today, that burden has jumped to 74 percent.

Quote Corner

Let us love winter,
for it is the spring of genius.

~Pietro Aretino