

Sound advice

SNOCOPE NEWS & INFORMATION • WINTER 2019

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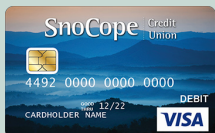
Now you can control a variety of settings on your debit card with your own smart phone, 24/7. You'll be able to: turn your card on or off, set location controls, set spending controls and set alerts.

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Go to iTunes or the GooglePlay Store to download the MobiMoney app.

NOW AVAILABLE
Instant Issue Debit Cards



Members now have the option of walking away with a new or replacement debit card when they come into the branch. Instant Issue is more convenient, it saves time, and there's no more waiting for the US Mail.

NOW AVAILABLE

Ampre Merchant Benefits on Your Debit Cards

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amplify your rewards

Members are able to earn cash back credits at thousands of merchant locations nationwide. Ampre offers cash back deals from the most popular national brands, plus your favorite regional and local retailers too. Thousands of new offers, both in-store and online, tied to your SnoCope Credit Union VISA® Debit Card!

You're already purchasing some of these national brands, why not earn cash back credits of 2% to 15% for those purchases?

(Merchant cash back credit offers change regularly and include various regional and local retailers too --- so check the Ampre website often. You'll receive the cash back credit to your account within 48 hours after the transaction has processed.)

SnoCope Credit Union VISA® Debit Cards are already automatically enrolled, all you'll need to do is sign up on the SnoCope Ampre website to view the current offers and receive notifications.

See our website for additional information.



What to Know about Estimated Taxes

If you're an employee of a company, your employer withholds federal, and state if applicable, income tax from each of your paychecks. So, even though you might not think about it, you're paying income tax as you go throughout the year. For anyone who is not a standard wage earner, it's a different story. They must pay estimated income tax at least four times a year, which covers contributions to Social Security and Medicare taxes.

Failure to pay sufficient estimated income tax by the quarterly due dates and prior to filing a 1040 form will result in a costly underpayment penalty. The exact penalty amount will depend on how much is owed and how overdue the payments are.

Who owes

Estimated taxes are paid by the self-employed and those who receive interest or dividends, rent, gains from selling stock or assets, taxable alimony—basically anyone who receives income that isn't subject to withholding by an employer. Being even more specific, the IRS says you owe quarterly estimated taxes if:

- You'll owe at least \$1,000 in federal income taxes this year, even after accounting for your withholding and refundable credits...
- Your withholding and refundable credits will cover less than 90 percent of your tax liability for this year or 100 percent of your liability last year, whichever is smaller.

Fishermen, farmers, some household employers, and certain higher-income taxpayers have different estimated tax rules that are explained in the Form 1040-ES instructions.

How to estimate

If you qualify as owing quarterly estimated tax to the IRS, there are several ways to estimate what you will owe. You could use tax preparation software, like TurboTax, or use the worksheet that accompanies Form 1040-ES.

Steps that will help you more easily and accurately predict what you will owe include knowing the current federal and state income tax rates, running monthly and quarterly financial reports, and creating projections for future quarters. Performing year-round tax planning like this will help you avoid IRS penalties and give you a clear view of your overall financial health.

How to pay

The exact tax form you should use to submit your estimated tax payments will depend on the structure of your company. If you are self-employed, a sole proprietorship, a partner, or an S-corporation shareholder and will likely owe \$1,000 or more, you would use Form 1040-ES (Estimated Tax for Individuals). Corporations would use Form 1120-W (Estimated Tax for Corporations) if they expect to owe \$500 or more.

Estimated taxes can be paid electronically with a credit or debit card, a withdrawal from a bank account, or through the EFTPS (the Electronic Federal Tax Payment System). You

2020 Holiday Calendar

NEW YEAR'S DAY OBSERVED

Wednesday, January 1, 2020

MARTIN LUTHER KING DAY

Monday, January 20, 2020

PRESIDENT'S DAY

Monday, February 17, 2020

MEMORIAL DAY

Monday, May 25, 2020

INDEPENDENCE DAY

Friday, July 3, 2020 (July 4 Saturday)

LABOR DAY

Monday, September 7, 2020

VETERAN'S DAY OBSERVED

Wednesday, November 11, 2020

THANKSGIVING DAY

Thursday, November 26, 2020

DAY AFTER THANKSGIVING

Friday, November 27, 2020

CHRISTMAS EVE EARLY CLOSE

Thursday, December 24, 2020

CLOSE AT 3:00 PM

CHRISTMAS DAY HOLIDAY

Friday, December 25, 2020

NEW YEAR'S DAY

Friday, January 1, 2021

E-mail: sncope@sncope.org

Debit Cards

Lost/Stolen: 1-800-528-2273 or

Email: optracking@vantiv.com

Outside US: 1-812-647-9794 or

Email: optracking@vantiv.com

Fraud: 1-800-889-5280

Fraud Outside US: 1-513-900-3014

Disputes: 1-800-808-6402 (PST M-F

5AM-8PM, Sat & Sun 6AM-12PM,

after hours voicemail will be returned
the next business day)

After Hours Card Services Support:

1-866-664-9364

Outside US (after hours):

1-812-647-9794

Lost/Stolen Credit Cards / 24/7

Business Hours: 800-325-3678

Sprig Mobile Account Access:

866-698-8896 / www.getsprig.com

CO-OP Shared Branching

www.co-opsharedbranch.org

24-Hour Call Center: 866.692.8669

CO-OP Shared Branches/ATMs

1-888-748-3266

SnoCope Credit Union

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Your savings federally insured to \$250,000

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A U.S. Government Agency.



Continued from **What to Know about Estimated Taxes**

can also pay by sending a check or money order to the IRS with the voucher found at the end of Form 1040-ES. You make these payments in four installments, due April 15, June 15, September 15, and finally January 15 of the next year. If a due date falls on a weekend or holiday, it moves to the next business day. You can also make more frequent payments or file your taxes early and include the last quarterly payment in your filing, as long as it's before January 15.

With all of this information in mind, paying quarterly estimated income tax can become second-nature and just another routine of being self-employed, running your own business, or earning other types of income!

Source: SnoCope's Financial Resource Center - http://sncope.frc.finresourcecenter.com/Tax_Return_Preparation_and_Filing_165961.html?article_id=2853



Gift Tax: When Your Generosity Should Be Reported to the IRS

A gift tax is imposed by the IRS when you transfer money or property to another person and don't get anything—or less than full value—in return. The gift giver pays the tax. In 2019, you can give up to the \$15,000 annual exclusion and the \$11.4 million lifetime exclusion without having to pay taxes on your gift(s).

If you give beyond these exclusion limits, you will need to fill out a gift tax form—most likely Form 709: U.S. Gift (and Generation-Skipping Transfer) Tax Return—when filing your tax returns on or before April 15. However, you may not have to pay any gift tax, even if you must submit the form.

Gift tax rates range from 18% to 40%. There are exceptions and special rules for calculating the tax, so be sure to read the instructions on IRS Form 709 for all the details when you file.

Annual gift tax exclusion

In a year, you can give up to \$15,000 in cash or assets (e.g., stocks, land, a new car, etc.) to any one person and not need to file a gift tax return. This annual exclusion is per gift recipient, so you could give \$15,000 to 5, 10, 20 people and still not have to fill out a gift tax return. And because the exclusion is also per gift giver, you and your spouse could give away a combined \$30,000 a year per recipient without having to report it to the IRS.

This annual exclusion doesn't apply to gifts between spouses—those are unlimited if you're both U.S. citizens—

nor to gifts to nonprofits (those are charitable donations and go on a separate tax form).

Now, if you do give more than \$15,000 in a year to any one person and you file a gift tax return, that doesn't mean you'll have to pay a gift tax on it. Read on to learn why.

Lifetime gift tax exclusion

If you gave your niece \$25,000, you would use up your \$15,000 annual exclusion and you'd need to file a gift tax return, but you probably wouldn't need to pay the gift tax because the amount beyond \$15,000—in this case \$10,000 (\$25,000 - \$15,000 = \$10,000)—would just count against your \$11.4 million lifetime exclusion. Think of each exclusion as buckets: as soon as you fill your annual bucket by gifting more than \$15,000, your lifetime bucket catches the spill-over and prevents you from owing taxes until you exceed that bucket's \$11.4 million limit.

In other words, you generally won't owe gift tax until you've given away more than \$11.4 million in cash or other assets in your lifetime. The gift tax return you file each year that you gift more than \$15,000 is what keeps track of your lifetime exemption total.

If you don't gift anything above the annual exemption limit in your life, then you'll have your entire lifetime exemption to use against your estate when you die. Another way to think of it is that you could leave up to \$11.4 million to friends and family free of any federal estate taxes if your lifetime exclusion is still intact!

Making annual gifts up to the current exclusion is a good way to reduce your taxable estate. However, if your gifts exceed the exclusions, it will reduce your estate tax exemption, so there is a fine balance to strike in your generosity to minimize your tax liability (the taxes you owe).

Examples of tax return-triggering scenarios

Remember, just because you must file a gift tax return doesn't mean you'll owe any tax.

1. Say you're a grandparent who wants to gift \$74,000 to your grandchild to pay for their future college tuition, so you put it into their 529 college saving plan. This will require you to file the gift tax return, but a special rule allows you to spread one-time gifts across five years' worth of tax returns to keep the lifetime gift exclusion intact, i.e. not incurring any gift tax and not reducing your \$14 million lifetime exclusion. However, you won't be able to make any additional gifts to that grandchild during those five years without counting it toward your lifetime exclusion total.
2. If you generously pay \$50,000 for someone's wedding, honeymoon, new car, or vacation, that would trigger needing to file a gift tax return with the IRS. Depending on how close you are to your lifetime exclusion total, you may or may not have to pay taxes on the gift.
3. Interest-free loans to family and friends are considered gifts and must be reported as such if they exceed the annual exclusion.
4. An exception: You don't need to file a gift tax return if you pay tuition or medical bills directly to a school or hospital for someone else.

Source: SnoCope's Financial Resource Center - http://sncope.frc.finresourcecenter.com/Tax_Planning_165955.html?article_id=3005