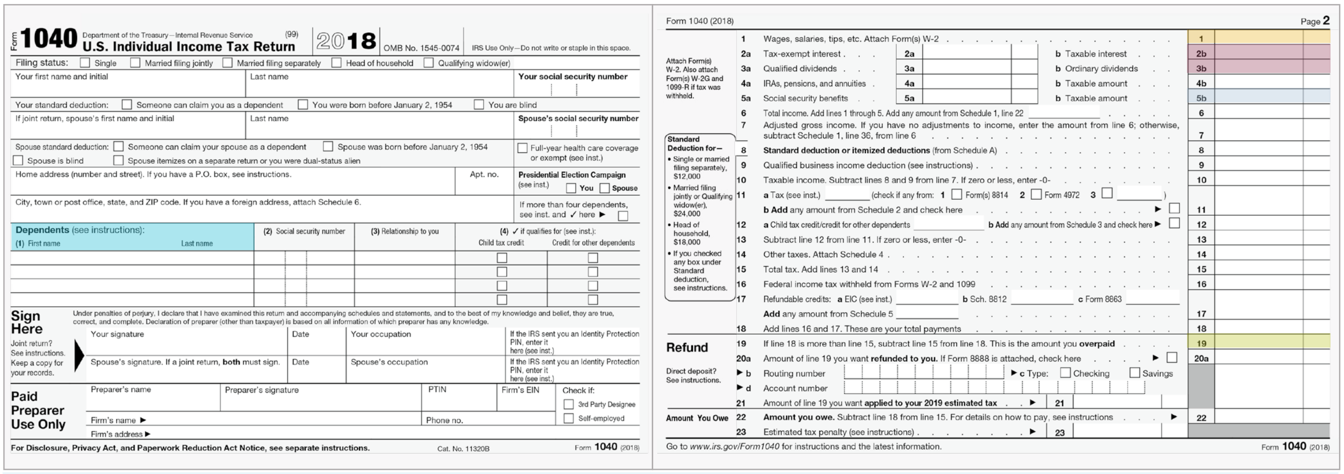
1040 Planning Guide

GREAT AMERICAN INSURANCE GROUP

It pays to keep things simple.®

Reviewing your client's most recent tax return is one way to identify potential financial needs. You may find that an annuity could be a beneficial tool to help them meet their goals, while reducing their tax burden. Here are a few things to look for and consider as you review form 1040.



Form 1040 Department of the Treasury—Internal Revenue Service (99) U.S. Individual Income Tax Return 2018 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing status: Single / Married filing jointly / Married filing separately / Head of household / Qualifying widow(er)

Your first name and initial | Last name | Your social security number

Your standard deduction: Someone can claim you as a dependent / You were born before January 2, 1954 / You are blind

If joint return, spouse's first name and initial | Last name | Spouse's social security number

Spouse standard deduction: Someone can claim your spouse as a dependent / Spouse was born before January 2, 1954 / Full-year health care coverage or exempt (see inst.)

Spouse is blind / Spouse itemizes on a separate return or you were dual-status alien

Home address (number and street). If you have a P.O. box, see instructions. | Apt. no. | Presidential Election Campaign (see inst.) You / Spouse

City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. | If more than four dependents, see inst. and ✓ here ▶

Dependents (see instructions): (1) First name Last name	(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see inst.): Child tax credit	Credit for other dependents

Sign Here — Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records.

Your signature | Date | Your occupation | If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Spouse's signature. If a joint return, **both** must sign. | Date | Spouse's occupation | If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only — Preparer's name | Preparer's signature | PTIN | Firm's EIN | Check if: 3rd Party Designee / Self-employed

Firm's name ▶ | Phone no.

Firm's address ▶

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2018)

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Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld.

1 Wages, salaries, tips, etc. Attach Form(s) W-2 — 1

2a Tax-exempt interest — 2a — b Taxable interest — 2b

3a Qualified dividends — 3a — b Ordinary dividends — 3b

4a IRAs, pensions, and annuities — 4a — b Taxable amount — 4b

5a Social security benefits — 5a — b Taxable amount — 5b

6 Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22 — 6

7 Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6 — 7

Standard Deduction for— • Single or married filing separately, $12,000 • Married filing jointly or Qualifying widow(er), $24,000 • Head of household, $18,000 • If you checked any box under Standard deduction, see instructions.

8 **Standard deduction or itemized deductions** (from Schedule A) — 8

9 Qualified business income deduction (see instructions) — 9

10 Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0- — 10

11 a Tax (see inst.) (check if any from: 1 Form(s) 8814 2 Form 4972 3)

b **Add** any amount from Schedule 2 and check here ▶ — 11

12 a Child tax credit/credit for other dependents b **Add** any amount from Schedule 3 and check here ▶ — 12

13 Subtract line 12 from line 11. If zero or less, enter -0- — 13

14 Other taxes. Attach Schedule 4 — 14

15 Total tax. Add lines 13 and 14 — 15

16 Federal income tax withheld from Forms W-2 and 1099 — 16

17 Refundable credits: a EIC (see inst.) b Sch. 8812 c Form 8863

Add any amount from Schedule 5 — 17

18 Add lines 16 and 17. These are your total payments — 18

Refund

19 If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you **overpaid** — 19

20a Amount of line 19 you want **refunded to you.** If Form 8888 is attached, check here ▶ — 20a

Direct deposit? See instructions. ▶ b Routing number ▶ c Type: Checking Savings

▶ d Account number

21 Amount of line 19 you want **applied to your 2019 estimated tax** ▶ 21

Amount You Owe 22 **Amount you owe.** Subtract line 18 from line 15. For details on how to pay, see instructions ▶ 22

23 Estimated tax penalty (see instructions) ▶ 23

Go to *www.irs.gov/Form1040* for instructions and the latest information. Form 1040 (2018)

Dependents

Your client's family profile may trigger conversations about legacy planning needs.

A fixed-indexed annuity with a death benefit rider offers a tax-efficient way to grow assets, and can provide a financial legacy that's paid directly to beneficiaries without going through probate.

Wages (Line 1)

Did your client report a high salary? It could be a good opportunity to discuss their current retirement plan contributions.

If your client is currently maximizing their contributions to an employer-sponsored plan and they still have assets to use toward retirement, a tax-deferred annuity could be a good option.

Taxable interest and dividends (Lines 2b and 3b)

Is high interest and dividend income affecting your client's tax burden?

By moving assets into an annuity, your client can defer taxes on some of the money they are saving for retirement.

Social Security benefits (Line 5b)

Is your client paying taxes on their Social Security income?

To reduce your client's tax liability, consider repositioning other income sources into a tax-deferred annuity.

Overpayment (Line 19)

Did your client pay too much in taxes?

While a tax refund can be a nice bonus, it may mean it's time to review your client's withholding. By withholding too much, they could be missing opportunities to put their money to work for them.

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