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BLS is pleased to present the June/July 2018 issue of Focus. In it, we discuss:

- The ins and outs of Section 529 plans and Coverdell Education Savings Accounts
- The distinction between employees and independent contractors
- Making the most of IRA contributions and deductions
- New revenue recognition standards that may apply when using GAAP

BLS welcomes your questions and comments. Please contact us at 302.225.0600 or info@belfint.com to discuss these topics further.
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Saving for education expenses — The Tax Cuts and Jobs Act changes some benefits

Those with children in private or religious elementary or secondary schools, or who are saving to send their kids to college, will want to be aware of tax-advantaged education-saving programs — including both Section 529 plans and Coverdell Education Savings Accounts (ESAs). This article explains the ins and outs of these plans and accounts and how to use them to help cover some of these costs. The article notes that, while these plans can help save taxes, it's important to keep in mind that money in the account that's not used for qualified educational expenses may be subject to taxes and penalties. A sidebar looks at the current status of the student loan deduction.

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Independent or employed? — Understanding the ins and outs of employee classification

The tax implications of employee misclassification can be significant, and the IRS, the U.S. Department of Labor (DOL) and even some states are weighing in. This article discusses some of the issues, including the importance of an "economic realities" test that attempts to distinguish workers who are economically dependent on an employer — and are thus employees — from those in business for themselves and therefore not economically dependent.

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Make the most of IRA contributions and deductions

Individuals can both boost their retirement savings and cut their tax bills for 2018 by making additional contributions to traditional Individual Retirement Accounts (IRAs). This article explains that, if individuals make contributions during the year before their tax returns are due, they may be able to deduct some, or all, of the contributions from their taxable income. In addition, the article points out that deadlines and reporting are important in ensuring people make the most of any possible contributions and deductions.

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Use GAAP? New revenue recognition standards may apply

New revenue recognition standards, more formally known as *Revenue from Contracts with Customers*, will affect not just public companies, but also the many private companies whose lenders or investors require them to follow Generally Accepted Accounting Principles (GAAP). This article discusses the goals of the new standards, including the aim of shifting from a rules-based to a principles-based approach. The article points out that companies that use GAAP need to be aware of these new standards, which likely will affect their financial statements, tax obligations and loan agreements — and may require changes to accounting processes and IT systems.

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