



## SENIORS AND TAXES

# Guidelines for Reducing Taxes

**Anchor:** WWJ News time is 9:34. April 15th, next week, just days away. Taxes on the mind of many Metro Detroiters. Dan Krug is a certified senior advisor, saying there are steps seniors and retirees can take to avoid paying too much to the IRS. Dan is joining us now on the WWJ Live Line, and Dan why do many seniors pay more to Uncle Sam than what they really should?

**Dan Krug:** Well you know you really have to understand that the IRS requires everyone to pay their minimum not their maximum taxes, and unfortunately too many of us aren't really taking the kind of steps to avoid those taxes.

**Anchor:** Now what can they do to avoid over paying taxes and what helpful hints can you give us between now and Thursday?

**Dan Krug:** Absolutely the first step is to review your 1040 form. Know if you are paying taxes for income that's living income expenses, things like CDs that are creating income, dividends that are reinvesting that you are actually using for income. Those are the type things you know you are going to have to pay taxes on, but the fact is many people aren't using those as living expenses.

**Anchor:** So what they should really do is, if you have a CD that is rolling over, a dividend that is reinvesting, you really want to defer those things out, and that will actually reduce your taxes. Dan, what role does a person's IRA play in how much that person could be paying in taxes?

**Dan Krug:** Well you know that is a very good question, because the fact is up until April 15th we can take and add an additional \$3,000 into your IRA or 401K, and that way you can reduce your taxes down. Even people who are getting ready to retire can actually eliminate the taxes.

**Anchor:** Thanks for that knowledge from Dan Krug, a certified senior advisor, joining us on WWJ with steps that seniors and retirees can take to avoid paying one dollar too many to the IRS. April 15th is next Thursday. ■

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Daniel Krug & Associates • (800) 471-9080