

## ADVANCED MARKETS

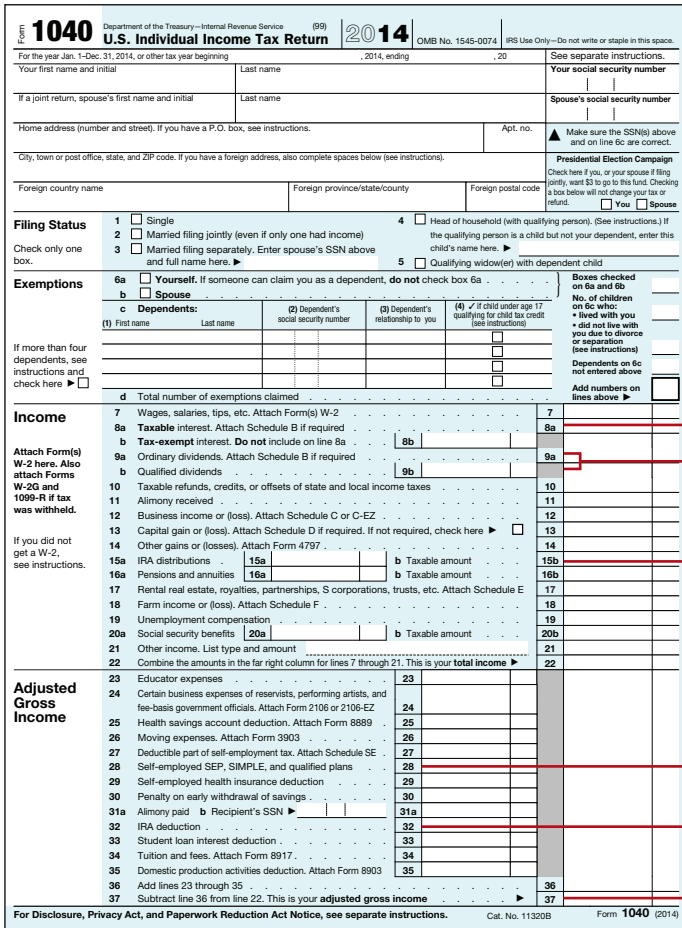
### Form 1040 Review

A quick review of your annual IRS Form 1040 can help you identify opportunities for future tax savings. It can also alert you to financial planning opportunities that you may not have considered.

**Step 1:** Use the chart below to locate relevant entries on your IRS Form 1040.

**Step 2:** Discuss these areas with your financial advisor and tax professional.

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**Form 1040** Department of the Treasury—Internal Revenue Service (99) **2014** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2014, or other tax year beginning . . . , 2014, ending . . . , 20

Your first name and initial Last name Your social security number

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

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

Foreign country name Foreign province/state/country Foreign postal code Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  You  Spouse

**Filing Status** 1  Single 4  Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ 2  Married filing jointly (even if only one had income) 3  Married filing separately. Enter spouse's SSN above and full name here. ▶ 5  Qualifying widow(er) with dependent child

Check only one box.

**Exemptions** 6a  Yourself. If someone can claim you as a dependent, do not check box 6a. 6b  Spouse. 6c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4)  If child under age 17 qualifying for child tax credit (see instructions). Boxes checked on 6a and 6b: No. of children on 6c who: • lived with you • did not live with you due to divorce or separation (see instructions) Dependents on 6c not entered above Add numbers on lines above ▶

If more than four dependents, see instructions and check here

d Total number of exemptions claimed

**Income** 7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 8a Taxable interest. Attach Schedule B if required 8a 9a Ordinary dividends. Attach Schedule B if required 9a 9b Qualified dividends 9b 10 Taxable refunds, credits, or offsets of state and local income taxes 10 11 Alimony received 11 12 Business income or (loss). Attach Schedule C or C-EZ 12 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here  13 14 Other gains or (losses). Attach Form 4797 14 15a IRA distributions 15a b Taxable amount 15b 16a Pensions and annuities 16a b Taxable amount 16b 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 18 Farm income or (loss). Attach Schedule F 18 19 Unemployment compensation 19 20a Social security benefits 20a b Taxable amount 20b 21 Other income. List type and amount 21 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶ 22

**Adjusted Gross Income** 23 Educator expenses 23 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24 25 Health savings account deduction. Attach Form 8889 25 26 Moving expenses. Attach Form 3903 26 27 Deductible part of self-employment tax. Attach Schedule SE 27 28 Self-employed SEP, SIMPLE, and qualified plans 28 29 Self-employed health insurance deduction 29 30 Penalty on early withdrawal of savings 30 31a Alimony paid b Recipient's SSN ▶ 31a 32 IRA deduction 32 33 Student loan interest deduction 33 34 Tuition and fees. Attach Form 8917 34 35 Domestic production activities deduction. Attach Form 8903 35 36 Add lines 23 through 35 36 37 Subtract line 36 from line 22. This is your adjusted gross income ▶ 37

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2014)

**Line 8a – Taxable Interest:** Interest income reported on this line is often generated by savings and money market accounts. Discuss these accounts with your financial advisor to determine if low-risk investments may be appropriate given your personal circumstances and investment objectives.

**Lines 9a, 9b: Ordinary and Qualified Dividends:** Dividends can be a tax-efficient source of income. If you are paying taxes on dividend income that you do not want or need, however, talk to your advisor about strategies to manage, or possibly defer, your investment income.

**Lines 15a, 15b – Total IRA Distributions:** IRA distributions are generally taxable. Beginning at age 70½, you must take required minimum distributions (RMDs) from your traditional IRAs. The penalty for a missed RMD is 50% of the amount you were required to withdraw.

**Line 28 – Self Employed SEP, SIMPLE, and Qualified Plans:** If you are self-employed, contributing to a SEP, SIMPLE IRA, or qualified plan can help reduce your income, lower your tax bill, and prepare you for retirement. Be sure to review your current plan with your financial or tax advisor to make sure you have the right type of plan for your situation, and that you are taking full advantage of contribution limits.

**Line 32 – IRA Deduction:** Are you making regular IRA contributions? For married couples, both spouses are usually eligible to make an IRA contribution, even if only one has earned income. If your income is too high for a deductible IRA, a nondeductible IRA contribution is still an option. Ask your advisor about which strategy is best for you.

**Line 37 – Adjusted Gross Income:** Your adjusted gross income, or AGI, is used as a measuring stick for certain tax thresholds (such as the 3.8% net investment income tax, discussed at Line 62), the phase-out of certain deductions, and the availability of certain tax credits. Your financial and tax advisors can determine the impact of AGI on your financial situation and may be able to recommend strategies to reduce your AGI, if appropriate.

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**Securities may lose value and are not insured by the FDIC or any federal government agency. They are not a deposit of or guaranteed by any bank, bank affiliate, or credit union.**

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<b>38</b>	Amount from line 37 (adjusted gross income)	<b>38</b>
<b>39a</b>	Check <input type="checkbox"/> You were born before January 2, 1950, or <input type="checkbox"/> Spouse was born before January 2, 1950. If <input type="checkbox"/> Spouse was born before January 2, 1950, check <input type="checkbox"/> <b>39a</b>	<b>Total boxes checked</b> <input type="checkbox"/>
<b>b</b>	If your spouse itemizes on a separate return or you were a dual-status alien, check here <input type="checkbox"/> <b>39b</b>	
<b>40</b>	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	<b>40</b>
<b>41</b>	Subtract line 40 from line 38	<b>41</b>
<b>42</b>	Exemptions. If line 58 is \$19,325 or less, multiply \$3,950 by the number on line 6d. Otherwise, see instructions	<b>42</b>
<b>43</b>	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	<b>43</b>
<b>44</b>	Tax (see instructions). Check if any from: <input type="checkbox"/> Form(s) 8814 <input type="checkbox"/> Form 4972 <input type="checkbox"/>	<b>44</b>
<b>45</b>	Alternative minimum tax (see instructions). Attach Form 6251	<b>45</b>
<b>46</b>	Excess advance premium tax credit repayment. Attach Form 8962	<b>46</b>
<b>47</b>	Add lines 44, 45, and 46	<b>47</b>
<b>48</b>	Foreign tax credit. Attach Form 1116 if required	<b>48</b>
<b>49</b>	Credit for child and dependent care expenses. Attach Form 2441	<b>49</b>
<b>50</b>	Education credits from Form 8863, line 19	<b>50</b>
<b>51</b>	Retirement savings contributions credit. Attach Form 8880	<b>51</b>
<b>52</b>	Child tax credit. Attach Schedule 8812, if required	<b>52</b>
<b>53</b>	Residential energy credits. Attach Form 5695	<b>53</b>
<b>54</b>	Other credits from Form: <input type="checkbox"/> 3800 <input type="checkbox"/> 8801 <input type="checkbox"/>	<b>54</b>
<b>55</b>	Add lines 48 through 54. These are your total credits	<b>55</b>
<b>56</b>	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	<b>56</b>
<b>57</b>	Self-employment tax. Attach Schedule SE	<b>57</b>
<b>58</b>	Unreported social security and Medicare tax from Form: <input type="checkbox"/> 4137 <input type="checkbox"/> 8919	<b>58</b>
<b>59</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	<b>59</b>
<b>60a</b>	Household employment taxes from Schedule H	<b>60a</b>
<b>b</b>	First-time homebuyer credit repayment. Attach Form 5405 if required	<b>60b</b>
<b>61</b>	Health care: individual responsibility (see instructions) Full-year coverage <input type="checkbox"/>	<b>61</b>
<b>62</b>	Taxes from: <input type="checkbox"/> Form 8959 <input type="checkbox"/> Form 8960 <input type="checkbox"/> Instructions; enter code(s)	<b>62</b>
<b>63</b>	Add lines 56 through 62. This is your total tax	<b>63</b>
<b>64</b>	Federal income tax withheld from Forms W-2 and 1099	<b>64</b>
<b>65</b>	2014 estimated tax payments and amount applied from 2013 return	<b>65</b>
<b>66a</b>	Earned income credit (EIC)	<b>66a</b>
<b>b</b>	Nontaxable combat pay election <input type="checkbox"/> <b>66b</b>	
<b>67</b>	Additional child tax credit. Attach Schedule 8812	<b>67</b>
<b>68</b>	American opportunity credit from Form 8863, line 8	<b>68</b>
<b>69</b>	Net premium tax credit. Attach Form 8962	<b>69</b>
<b>70</b>	Amount paid with request for extension to file	<b>70</b>
<b>71</b>	Excess social security and tier 1 RRTA tax withheld	<b>71</b>
<b>72</b>	Credit for federal tax on fuels. Attach Form 4136	<b>72</b>
<b>73</b>	Credits from Form: <input type="checkbox"/> 2439 <input type="checkbox"/> 8879 <input type="checkbox"/> 8878 <input type="checkbox"/> 8877 <input type="checkbox"/>	<b>73</b>
<b>74</b>	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	<b>74</b>
<b>75</b>	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	<b>75</b>
<b>76a</b>	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	<b>76a</b>
<b>b</b>	Routing number	
<b>d</b>	Account number	
<b>c</b>	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
<b>77</b>	Amount of line 75 you want applied to your 2015 estimated tax	<b>77</b>
<b>78</b>	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions	<b>78</b>
<b>79</b>	Estimated tax penalty (see instructions)	<b>79</b>

**Other Taxes**

**Payments**

**Refund**

**Amount You Owe**

**Third Party Designee**

**Sign Here**

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**Lines 40 through 54 – Deductions, Exemptions, and Credits:** These items all reduce your ultimate tax liability. If you anticipate large deductions or a tax credit in the current tax year, you may want to ask your tax professional whether converting some of your retirement assets to a Roth IRA makes sense. Roth IRAs can be a source of tax-free income in retirement. Also, unlike traditional IRAs, Roth IRAs do not require you to start withdrawing money at age 70½. This may help you manage your tax liability in the future.\*

**Line 43 – Taxable Income:** This is the number that determines your tax bracket. Understanding your tax bracket will help you implement the most tax-efficient investment strategies and determine which type of retirement plan might make the most sense for you.

**Line 59 – Additional Tax on IRAs and Other Qualified Plans, etc.:** Did you have to take a distribution from your IRA before attaining age 59½? Check with your tax professional to see if you qualify for an exception to the 10% additional tax. Also, if you need additional pre-59½ distributions going forward, talk to your advisor about setting up a series of substantially equal periodic payments.

**Line 62 – Is box b (Form 8960) checked?** If so, you were required to pay the 3.8% net investment income tax. It applies to certain types of investment income in excess of modified adjusted gross income thresholds (\$200,000 for single filers, \$250,000 for married filing jointly). Talk to your tax and financial advisors about strategies to help reduce or avoid exposure to this tax in the future.

Transamerica is committed to providing you with the right information to make the right decisions. Having a solid understanding of your tax status can help provide a comprehensive financial plan. Working with professional financial and tax advisors is another important step toward your financial future.

\*The tax costs with a Roth IRA conversion can be significant. Contributions are subject to taxes that were previously deducted, including any accumulated earnings. Clients may also be pushed into a higher tax bracket, especially if converting a large amount of money.

Withdrawals of taxable amounts are subject to ordinary income tax and, if taken prior to age 59½, a 10% additional federal tax may apply.

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