



Divide Your Tax Refund By Thirds and Save!

The average tax refund last year was just under \$3,000. If you have already filed your taxes and are checking for your refund, you should have a game plan in place to put that money to work for you.

According to Sara Gilbert, Accel General Manager for Colorado and Wyoming, money and expenses are a constant concern for many Americans. But if you expect a nice refund this year, it might be best to use that money to alleviate some of those concerns.

Think about saving some or all of your return for unexpected needs you may face.

“In an ideal world, we’d all have money reserved to handle life’s emergencies,” said Gilbert. “In reality, many surveys show about half of breadwinners live paycheck to paycheck, with saving money for emergencies being more dream than reality.”

Financial emergencies do happen and being prepared for them will help you sleep a lot better.

If you haven’t saved much for long-range goals like a college education for your children or your own retirement needs, a discussion with an investment planner might help you make some choices that will put your refund to work on your family’s goals.

Another good idea for your tax refund is to use it to help reduce debt. Getting out from high-interest debt is always a great idea. Paying off a debt or two will reduce the total amount you pay in interest. And it will reduce your monthly payments, which is another great way to balance your budget.

If you’re able to pay something off, take the money that was being used to repay that debt and put it in your savings

account for emergencies or other family goals such as a down-payment on a house, a new car, or a vacation.

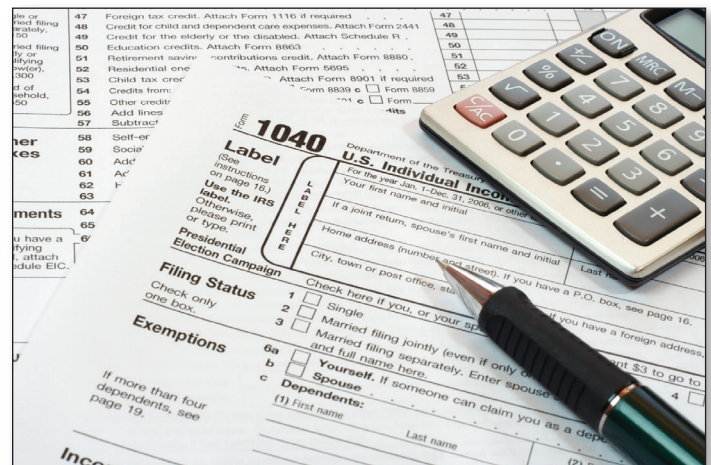
Speaking of vacations, sometimes people do spend their tax refunds on nonessential treats, such as vacations, new televisions, or other rewards. There’s nothing wrong with this as long as you’re able to cover your monthly expenses and also save money for emergencies and future goals.

“Another good idea for a larger tax refund might be to save a third of it, pay a third to debt, and spend the remaining third,” said Gilbert. “That way you can make progress on several financial fronts.”

“Finally, if you’re receiving a refund of \$3,000 or more, you might be withholding more money than necessary for taxes. There’s a withholding calculator on the IRS website, www.irs.gov, that will help you see if you can comfortably adjust your withholding.

Withholding less money will increase your paycheck throughout the year, possibly calculating into a pay increase of \$200 or more per month. That kind of extra cash each month might be very helpful, indeed!

(Haven’t filed your taxes yet? Not to worry! See our last minute tips on the back.)



Offset Payroll Tax Increase with Creative Ideas

(This is a reprint from Newsday/Long Island, New York, with participation from David Flores, Accel manager and counselor.)

It didn't take long for the pain from the 2 percent payroll tax increase to hit your wallet. Households bringing home \$50,000 a year will take home roughly \$38 less per biweekly paycheck (about \$1,000 a year), and those making \$100,000 will see about \$2,000 less a year.

With some maneuvering, you can make up the shortfall.

MAKE ADJUSTMENTS. If you typically receive a tax refund, adjust your exemptions upward to access more of your money now. Increase 401 (k) contributions if you can. In the long run, you'll pay less tax on your income, advises Charles Hamowy, an Ameriprise private wealth adviser in New York City.

GET CREATIVE. Raise an insurance deductible. This will increase the amount you'll pay if you get into a car accident, but it will reduce your monthly payment.

CLEAN OUT. Sell or pawn unwanted items such as jewelry, bikes or electronics. Look for unused items around your home that contain scrap metals such as iron or copper that can be sold quickly, says David Flores, New York regional manager of Accel.

RESTRUCTURE. REFINANCE. The monthly savings will make a difference, says Patricia Seaman, spokeswoman for the National Endowment for Financial Education. Cancel the home phone and evaluate your cell phone plan; can you cut back?

FORGET CONVENIENCE. Let the gardener go, minimize eating out, spend time collecting coupons. The little things will add up.

Last Minute Tax Tips – Quick Tips for Saving Fees on Your Tax Refund

If you are a procrastinator when it comes to filing your taxes, you aren't alone. According to the Internal Revenue Service, up to 25 percent of all Americans wait until the last two weeks before Tax Day to file their taxes or ask for an extension.

If you are one of those 25 percent, and receiving a refund this year, Accel counselor Dorothy Barrick offers some quick tips.

- You will get your refund much faster, and it will be more secure, if you opt for a direct deposit of the tax refund into your checking or savings account.
- Check with your credit union to make sure that you can have an automatic deposit into the savings account as this differs from place to place.
- If you prefer to receive a paper check and don't have a savings account, open an account now to avoid fees for cashing the check. Look for a savings account that does not have fees.

Don't Bet on the Post Office for that April 15 Tax Return Mailing

According to MONEY Magazine, with 80 percent of people e-filing in 2012, the Postal Service has fewer locations open late on April 15. FedEx's evening hours will be normal, and some UPS sites will delay closing. Search for "private delivery services" on irs.gov to get the IRS mailing address you will need to send your return.



As a member of Catholic Federal Credit Union, you can take advantage of the *Accel* program, a free financial education and counseling program. To use this service, simply call 1-877-33ACCEL (332-2235) or visit them on the web at www.accelservices.org.