

Prepping for tax season▶

Financial resolutions▶

Buy or rent▶

Preparing for Tax Time

There are different situations that can occur in a person's life that will increase their stress level. Marriage, divorce, milestone birthdays, financial stress, Christmas and that dreaded season, TAX SEASON are all on the list. While we may not be able to help you with all of those stressful situations, properly preparing for tax season will make the process "less taxing" on you.

Assemble all of your W-2's. Your employer must provide W-2's no later than January 31, 2017. Don't be too anxious to file without all of your W-2's, no matter how small the reported income might be.

Assemble all of your deductible items. Items such as mortgage interest, paid real estate taxes, city, state, and occupational taxes, charitable contributions, uniforms/job expenses, (a certain portion may be deductible), medical payments including paid items such as health insurance premiums, co-pays, pharmacy costs, braces, glasses, hospital bills, x-rays or other tests. Don't forget day care expenses, paid college tuition or student loans. These payments may allow for a higher refund.

Reconcile your Tax Credits. If you purchased your healthcare through the healthcare.gov site and are receiving Tax Credits, you should receive a document in the mail verifying your participation in the Marketplace. If you have health care through your employer, you should receive documentation verifying your participation in a qualified plan. As per the Affordable Care Act, everyone must have health care that includes minimum essential coverage or pay a fine.

Watch how you file. The IRS encourages electronic filing, but rapid refunds are costly. Beware of advertisements offering you a quick refund. These offers tend to end up costing you more. If you are unsure of how to prepare taxes yourself, consider a FREE Volunteer Income Tax preparation service (VITA Program). You

Reminder

Please note that Open Enrollment for health care ends January 31. If you are from northeastern PA, please call 1-888-511-2227 to schedule your appointment with a Certified Health Care Navigator. If you are from outside northeastern PA, please either visit the Marketplace at www.healthcare.gov or call them at 1-800-318-2596 to enroll. This is your last chance to enroll. After the January 31 deadline, the only way you will be able to enroll through the Marketplace is if you are going through a life-changing event such as, marriage, divorce, new baby, or loss of a job, so enroll today!



Q: I'm considering moving from my current apartment. Is it better to rent or buy a home?

A: Whether or not you should buy or rent a home depends on your financial stability and several other factors.

First, are you financially able to buy a home? Check your credit report (www.annualcreditreport.com) and see if there are any issues you need to take care of before applying for a mortgage loan. The better your credit, the better the interest rate will be. If your credit needs some work, it might be a good idea to spend time working to improve your credit rating.

Buying a home means additional responsibilities. Almost always there are maintenance requirements with homeownership. If you're not interested in cutting the grass or making home repairs then buying a home might not be the right decision.

There are benefits to homeownership. The value of the home may increase over time, which means you may sell it for more than you paid for it.

Owning a home also has a tax benefit. Homeowners can claim their mortgage interest on their income taxes. Also, most mortgages are at a fixed rate, so your monthly payment is the same, allowing you to always know what your housing cost is. In addition, as you pay your mortgage, you're building equity. You can usually borrow against this equity.

Finances aside, the decision on whether or not to rent or buy a home, ends up being a personal one.

Advantage CCS can help. Contact the Agency to schedule a pre-purchase housing counseling or a budget counseling session to help you better decide what option is right for you.

Financial Resolutions for 2017

The New Year is a great time to start fresh and begin putting your finances in order or back in order. Resolve for financial stability in 2017. Here are some ways to improve financial health in 2017.

Make a budget and follow it. Kick off the New Year with a new set of spending rules. Develop a monthly budget by determining all income, expenses and debt. If you're not sure where to begin, try the Agency's free online budget tool, www.onlinebudgetadvisor.com. Creating a monthly budget and sticking to it will help you identify where your money is going each month and will help you control spending.

Track your expenses. If you're not sure what some of your monthly expenses are, a good way to figure it out is by tracking all of your expenses for 30 days. This includes large expenses, like your gas and groceries and also small expenses, like stops for coffee or vending machine snacks. Tracking monthly expenses will help you identify areas in your budget where you can or want to cut back.

Cut back on spending. After you have tracked your expenses and have identified exactly where your money is going each month, look at an area where you want to cut back. It could be grocery expenses or eating meals out. Come up with a strategy to accomplish it. It may be shopping at discount grocery stores or planning meals in advance to avoid the temptation of eating out regularly.

Check your credit report. Checking your credit report should be a routine activity once a year or once every four months. All consumers are entitled to a free credit report from each of the three credit bureaus once per year. You can receive all three at one time or you can elect to check one every four months. The only place to get your truly free credit report is through the website, www.annualcreditreport.com or by calling 1-877-322-8228.

It's important to routinely check your credit report for several reasons. The first being to ensure you're not a victim of identity theft and the information that is on your credit report should be on there. You also want to make sure the information on your credit report is accurate. Errors could be costly. If you believe there is inaccurate information on your credit report, contact the credit bureau in writing and include proof that the disputed information is incorrect. The credit bureau is required to investigate your claim and respond to you in 30 days.

Set financial goals. It's important to identify areas of your finances you want to work on in the upcoming year. Some suggestions for financial goals include establishing an emergency fund, paying off a loan or a credit card, or paying off a delinquent item you find on your credit report. Achieving any of these goals will help improve financial stability.

Check your insurance coverage. Make sure you have adequate life insurance for any one dependent upon your income and disability insurance to cover you in the event you are injured and lose your income.

Start saving for retirement. Consider ways to begin or increase your retirement savings. Look for options on where to start saving for retirement or if you are already setting aside money, figure out a way to increase your savings in 2017.

Whatever your financial resolutions may be in 2017, remember that Advantage CCS is here to help. Agency certified credit counselors are available by phone at 888-511-2227 or online at the Agency website, www.advantageccs.org.

Agency News

Agency certified credit and housing counselor, John Arentzen was honored with the Best Counselor Award from the Pennsylvania Housing Finance Agency. The award was presented at a ceremony in Harrisburg, with peers from the housing counseling sector in attendance. "Housing counselors tend to work in the background, so we wanted to take this day to lift you up and thank you for your tireless efforts on behalf of consumers," said PHFA Executive Director and CEO, Brian A. Hudson, Sr. John, who works out of the Agency's Greensburg office, has been providing credit and housing counseling to the community for 11 years. Congratulations John!

The Advantage Challenge

Advantage CCS challenges you to...make a financial New Years resolution. Consider your current financial habits and decide what financial goal you want to accomplish in 2017. Set monthly goals to keep yourself on track and use the article in the newsletter to help you achieve your 2017 financial resolution. Let us know what you decide to work on! Email financial resolutions to hmurray@advantageccs.org.

Advantage

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