

## March Financial Wellness Toolkit

You help your members afford life – we'll help you do that. To aid with your public relations, media relations, and marketing workload, we'll provide you with personal finance content each month to use in your credit union's communication channels.

### Here's the story...

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*Our Financial Wellness Toolkit contains useful information and tips to share with your members in your longer-format communication tools, including newsletters, blogs, and/or website articles. Use this story however you'd like!*

Filing your taxes can be, well taxing, so it's best to be as prepared as possible before the deadline. While it is true that most money-saving options to defer income or accelerate deductions are limited after December 31, there are still many steps you can take to make your tax-filing experience cheaper and easier.

[Turbo Tax](#) urges people to file their taxes before April 18, 2023 to avoid late fees. If you need more time to finish filing, make sure you fill out and file Form 4868 to extend your filing deadline until October 16, 2023. On Form 4868 you will need to include a reasonable estimate of your tax liability for 2022 and make sure to pay any outstanding balance due with this request. If you file and pay late you could be charged with a late-filing penalty of 5% per month of the tax owed and a late-payment penalty of 0.5% a month of the tax due. The maximum late filing penalty is 25% and the late-payment penalty will not exceed 25%. When you file Form 4868, you pause the costly late-filing penalty until October 16, 2023.

Around 85 million taxpayers pay professionals to complete and file their tax returns, according to the Internal Revenue Service (IRS). If you decide to hire someone to prepare your taxes, make sure you are using a trusted individual. It's best to ask friends and family who they use and get a referral so you don't end up with someone trying to scam you. Ensure that whoever you use has a preparer tax identification number (PTIN) showing they are certified to prepare federal income tax returns. Ask up front about how much they plan to charge you and if there are any additional fees you can expect. Try to avoid companies that take a portion of your refund so you can ensure you are getting the most back. Take a look at the IRS website for additional tips and resources for choosing a tax preparer. There is also an [IRS directory of preparers](#) to help you search by credentials and locations for the best person to handle your taxes.

After you have completed your tax forms, you have a few options for how to receive your funds if you are expecting a refund. You have the option to apply your funds to next year's taxes if you plan to have a balance. You can also receive a paper check in the mail or receive your funds through a direct deposit directly to your checking or savings accounts. You can even contribute a portion or all of your refund to certain accounts like IRAs, health savings accounts, and education savings accounts. If you complete Form 8888, you can also split your refund among multiple direct deposit choices.

Whatever you decide to do, make sure you file quickly as you only have one month left to file your taxes without asking for an extension!

## **Five Tips to Keep You on Track for Tax Season:**

### **1. Organize Your Records for Tax Time**

Print out a tax checklist to help you stay organized with the tax documents you need. Hang onto all of the paperwork that arrived in January like your W-2s, 1099s, and mortgage interest statements. Save time by grouping similar documents as they come in so you do not have to search for paperwork when it comes time to file.

### **2. Find the Right Tax Forms**

Go on the IRS website and search for documents as far back as 1980 by number or by date. The IRS also has a list of state forms and publications for all your tax filing needs.

### **3. Itemize Your Tax Deductions**

While it is easier to accept the standard deduction, you could be missing out on extra cash if you itemize your deductions. Especially if you are self-employed, own a home, or live in a high-tax location. Itemizing can be helpful if your standard deductions add up to \$12,950 for most singles and \$25,900 for most married couples filing jointly. Some qualifying deductions include mortgage interest and charitable donations, but you can also deduct the portion of medical expenses that exceed 7.5% of your adjusted gross income for 2022.

### **4. Provide Dependent Taxpayer IDs on Your Tax Return**

Make sure to include your Taxpayer Identification Numbers (or Social Security Numbers) for your children and other dependents on your return. The IRS may deny any dependent credits you might be owed if you miss this step. If you are divorced, only one of you can claim your child as a dependent. When you have a child, fill out your child's Social Security card immediately so the number is available during tax season. If you forget to have the number available, the IRS advises you to file for an extension while you get these documents sorted out.

### **5. File Electronically**

Instead of printing and mailing a physical copy of your tax forms to the IRS, consider filing electronically. If you are expecting a tax refund, the IRS will process electronic forms faster than paper ones, even receiving your refund three to six weeks earlier. You can even sign up to receive your refund as a direct deposit which will go directly into your bank account. If you owe money, you can still benefit from filing electronically. Wait until the federal tax filing deadline and send in a check along with Form 1040-V. You can also pay the amount owed with a credit card or through direct debit, but be aware there may be fees associated with that method.

## **For Social Media...**

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*Here are a few timely messages in 280 characters or less for your credit union's social media presence.*

**#CreditUnions**

Do you know the differences between a credit union and a bank? Find out more:

<https://yourmoneyfurther.com/>

Credit unions offer lower rates on car loans than banks! Learn more:

<https://yourmoneyfurther.com/>

CUs exist to serve their members, not make a profit for shareholders. Learn more:

<https://yourmoneyfurther.com/>

Get a jump on your finances by visiting your local credit union today. Learn more:

<https://yourmoneyfurther.com/>

## **#TaxTime #FileEarly**

Be sure you are ready for #TaxTime with these simple tips: [Link to release/article](#)

#FileEarly and get ahead of the last minute tax filers with these five simple tips: [Link to release/article](#)

#TaxTime is next month! Are you prepared to file before the April 15 deadline?: [Link to release/article](#)