

DOLLARS & SENSE

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Keeping your valuable information secure

Living in a world that's entirely connected to technology has made it easier for your financial and personal information to become available to people that may have malicious intentions.

Conversely, this same worldwide connection has made it harder to protect this precious information, keeping it out of the wrong hands. From dumpster diving to fraudulent emails trying to trick you into giving up valuable information, thieves use many different techniques to steal your private finance data. While it's near impossible to say your information will never be stolen, there are steps you can take to reduce the likelihood of ever becoming a victim.

Thieves aren't always strangers. More than half of all reported identity theft cases are committed by someone the perpetrator knew. To reduce your risk of identity theft whether online or off, protecting your personal and financial information is essential. Some effective ways to protect yourself include:

- Storing and disposing of personal information securely (especially your Social Security number).
- Asking questions before sharing personal information with anyone else.
- Maintaining security on your electronic devices for online use (and in the event of the device itself being stolen).
- Keeping paper copy materials safe at home.

Securing Information Offline

Take the first step in protecting your information by keeping financial documents and important records in a safe, locked place at home. Never carry too much personal information

with you. When you go out, only take what you need: identification, debit or credit cards. Then, all of your information won't be easily stolen if someone were to take your purse or wallet while you're out.

Be sure always to leave your social security card and medical cards at home unless it's absolutely necessary. When you do need them, at the doctor's office, for example, ask what measures they will take to safeguard your information.

A mailbox with a lock quickly ensures no one can take anything with personal information that may have been mailed to you like bank statements, insurance statements, or a book of checks you just had delivered.

The postal carriers can deposit the mail into the box through a slot, but no one can remove anything from the box without having a key. If you're mailing something out that may contain personal information, take it directly to a post office or postal service depository mailbox, as they're less likely to be broken into.

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Keeping your valuable information secure

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Any old receipts, credit offers, physician statements, insurance forms, bank statements, checks, paycheck stubs, expired credit cards, or anything else with personal information printed on it should be carefully disposed of. Using a shredder or, at least, tearing up these documents will keep you safe from anyone that might come across the documents after you've thrown them away.

When choosing a pin number for your debit or credit cards, never use anything someone may be able to find. You should never use any variation of your birthday or Social Security number as these may put you at risk of identity theft. In order to keep your pin number a complete secret, don't write it down or tell anyone what it is. Choose a number you won't forget that no one else can produce.

Securing Information Online

Simply knowing who you're sharing your information with and being aware of any potential imposters can save you a lot of time and heartache. Never give out any information on the internet unless you know exactly who the company is and what they need the information for. If you don't know if a company is legitimate, try searching online for the company name. From their website, you can contact customer service to verify they do indeed need the requested information.

By keeping your computer browser and devices secure, you can guard your online transactions. This can be achieved using anti-virus and spyware technology, encryption software to scramble the information sent over the internet, reading privacy policies on websites to see how they will use, share, and safeguard the information, and using strong passwords (with no personal information in them) to establish safety.

Try thinking outside the box when choosing a password and come up with something no one would ever be able to guess. For example, maybe you love going to the beach. Your password could be "TbisGR8&iW2go" or "the beach is great, and I want to go". By using a variation of both uppercase and lowercase letters combined with numbers or symbols, you will have created a very strong, secure password that is difficult to crack.

While using Wi-Fi on a public wireless network either at a coffee shop, library, airport, or any other public space, be positive your information is secure. Using an encrypted website can protect any information sent to and from a specific site.

By using a variation of both uppercase and lowercase letters combined with numbers or symbols, you will have created a very strong, secure password that is difficult to crack.

If you're ever unsure, simply find a secure wireless network instead, like at home where you should have your Wi-Fi password protected, or check for the lock symbol on your browser near the address bar before sending any personal information. This lock icon means your page is encrypted, and you're being protected.

If you have a laptop, do not keep (or, at least, limit) any personal information saved on it. Many sites have an automatic login feature, or there are sites like Amazon that will store your card information to make it easier for you to access. By limiting the places your financial information has been provided online, you will limit the risk as well.

Simply by not using automatic logins, your password and financial information will be safer in the event of your laptop getting stolen, or any potential hackers out there trying to steal your identity online. Just make sure always to log off after using websites housing any personal information, like your bank, and clear the browser before logging into another site, like social media sites for example.

Using a payment processor like PayPal or Google Checkout can help you limit the amount of personal information that spreads across the internet. Try using temporary credit cards specifically for online use; these types of cards were made to avoid others obtaining your information when making online purchases. After using the card a couple of times, the numbers become inoperative.

You can also protect yourself by choosing only one particular payment method to use online. Then, if someone does get ahold of your information, you only have to cancel one credit card account instead of canceling all of them.

Also, consider the information stored on your smartphone. If you install an app allowing you to automatically lock it down or erase the information it contains completely and remotely, you'll be protected even if your phone is stolen.

There may be more scams and techniques out there to steal your information than before the internet came along, but that doesn't mean you can't take measures to ensure your personal and financial information is secure at all times.

Be careful in storing and disposing of personal information, ask questions before sharing, ensure your information is safeguarded by the sites you use, make sure your technology and devices are secure, and you will easily keep yourself safe from identity theft no matter where you are. ■

Personal Tax Filing Preparation

Tax season is upon us! As more than half of individuals use paid tax preparers to complete and submit their tax returns every year, it can be quite a stressful time for taxpayers everywhere. In order to ensure the process goes as smooth as possible (saving you some money paying for tax preparation service fees, potential late fees, or any neglected benefits you may have qualified for), gather all the information you'll need ahead of time.

Whether your tax preparer takes the information needed directly from you or asks you to complete a questionnaire, you will need time to gather and organize everything you need before you even begin to worry about selecting the appropriate tax professional and filing.

Personal information like your Social Security number, previous tax returns (from the last three years), addresses of all properties owned, dates you've moved, any money you have made over the year, and any interest or income you've acquired from stocks or property must be reported by everyone. Taking a moment to list all such pertinent information will help when preparing your tax files.

By February 1, 2016, any forms and information for tax returns should have been received. Examples of possible forms you may receive include: a W-2 form from your job, various 1099 forms if you work for yourself, W-2Gs for gambling winnings, 1098s reporting mortgage interest, form 1098-E for student loan interest or 1098-T for tuition payments, information from the government Marketplace (exchange) for health coverage purchased, and any other vital documents from institutions like banks or credit unions.

What you need to file taxes is highly individual and depends on your personal lifestyle. Some cases may be simple while others are more complicated, requiring itemized deductions with

receipts and documentation for job-related expenses, investment-related income, or tax purposes. Below are life circumstances to keep in mind.

Healthcare

Be prepared for the newer tax rules relating to the individual healthcare mandate. There are new forms for claiming the premium tax credit through Marketplace as well as figuring the shared responsibility payment for anyone failing to carry coverage (and do not qualify for an exemption) such as form 1095-A to report any government health coverage paid throughout the year.

If you're married or receive alimony

Whether you're planning to file jointly with your spouse or not, you will need their personal information such as full name, social security number, tax ID number, and date of birth.

Perhaps you've been divorced and are now receiving or making alimony payments; you will still need your ex-spouse's full name and social security number as well as the amount of the alimony paid throughout the year.

If you have children or dependents

For every little person, you plan to claim as a dependent on your taxes,

you will need their date of birth, social security number or tax ID number, childcare records, and the total income of all adults in your home. This applies if the child is biologically yours or not. If a child is dependent on you, you may claim them. However, if a child's custodial parent has released their right to claim a child to you, a noncustodial parent, you will need form 8332 as well.

College education

Educational institutions should send form 1098-T detailing the amount you've paid for tuition over the year, how much of that was paid through a loan(s), and any scholarships or fellowships that may have been received. Be sure to have any itemized receipts as well for educational expenses such as books or computers.

If you have already graduated and are still paying off your student loans (who's not?!), you'll need to have form 1098-E to show what you have paid in student loan interest.

Employees

A W-2 form is required from each employer you may have worked for during the year. If you have not received this from your employer, be sure to contact them in order to get a new form.

Any employment-related expenses such as dues, publications, tools, uniform cost, or travel may also be deducted, but be sure you have itemized receipts.

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Online Tax Preparation Software

There are many different options out there for computer software and online programs designed to help you prepare your own taxes using step-by-step questions. These below offer free or low cost Federal tax filing for personal taxes.

- **Intuit Turbo Tax: TurboTax.com**
- **H&R Block: HRblock.com**
- **Tax Act: TaxAct.com**
- **Tax Slayer: TaxSlayer.com**

Personal Tax Filing Preparation

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If you use a vehicle for business use, such as a company car, keep a detailed log of the miles you've driven over the year, or odometer readings, as well as the business purpose of the mileage, amount of parking or toll fees, and any other deductibles you wish to claim.

Self-employed

If you are self-employed, you will need a Form 1099 (often more than one) and records to verify income amounts, as well as business expenses like receipts and credit statements are required. Also, any business-use asset information for depreciation purposes such as cost and the date placed in service will come in handy. However, if you did not make over the minimum amount, you may not have to claim this information at all.

It's possible you may need to provide information on your home office such as the square footage of the office area and the home, mortgage or rent paid, homeowners' or renters' insurance, and the cost of utilities. If you're running a home daycare or providing a service from your home, you may also need to provide the hours of use or operation.

Small business owner

If you're a small business owner, you will need receipts and sales records from all sales and services during the year, and business checking or savings account interest must be documented with a bank statement or form 1099-INT.

Any business in which employees have been paid must fill out forms W-2 and W-3, federal and state payroll returns, employee benefit expenses, and both forms 1099-MISC and 1096.

Depending on what type of business you own, you may need to show the cost of the goods sold with an inventory list, purchases, cost of materials and

supplies, and an inventory total dollar amount from both the beginning and end of the year.

Expenses such as advertising, technology, transportation, travel expenses, repairs and maintenance of the facility, commissions paid to subcontractors (form 1099-MISC and 1096), interest expenses such as mortgage and business loans, any professional fees like lawyers or accountants, office supplies, and rent space must also be documented.

Estimates of tax payments made throughout the year and other business related expenses like health insurance, premiums paid (whether to cover the sole-proprietor or on behalf of business partners) are required as well.

Retired

If you're retired, you will need to file any income you have received whether it's from pension and annuity income (form 1099-R), or social security income (Forms 1099-SSA, RRB-1099). You will also need form 5498 showing any IRA contributions and traditional IRA basis, or amounts you paid to the IRA that have already been taxed.

Savings, Investments, and Property Ownership

If you own property or have other investments, dates of acquisition and records of cost are required as well as forms 1099-B and 1099-S for any stock or property you may have sold.

Homeowners need to either fill out form 1098 or show copies of other mortgage statements.

Any interest or dividend income that has acquired from investments will need to be documented (forms 1099-INT, 1099-OID, 1099-DIV). Further, documentation must also be provided

for any expenses related to your investments. Even receipts for energy-saving home improvements can ensure some tax breaks.

Other income

Perhaps you won the lottery or donated to charity. If you had any other income at all from a source other than your primary job, you should find documentation of that as well.

A few examples are money from unemployment, gambling income, alimony, amounts of donations to charities, Health Savings Account, long-term care reimbursements, amounts paid for health care insurance or to doctors, dentists, and hospitals, Jury duty records, and prizes or awards.

Once you have all the information needed and organized in an easy-to-follow manner, you're ready to schedule an appointment with a tax preparer, check out tax preparation websites, or file your taxes yourself.

No matter how you file, if you start doing prep work for your income tax early, you'll have a much more successful (and less stressful) tax return process, ensuring you don't miss out on any tax benefits that may be available. ■



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Saturday: 8:00 a.m.-12:00 noon



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