



THE CONSUMER ADVOCATE

Spring 2008

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Thank you!

CitiCard, for your generous and unwavering support that helps significantly fund our operations and educational efforts throughout the year.

Chase, for your kind funding, which supports our day-to-day operations and educational mission to improve financial literacy in our neighboring communities.

Be Smart With Your Tax Refund!

Opening your mail or, in some cases, simply checking your account balance to find your tax refund is undoubtedly a great feeling. Instantly, your brain racks up a hundred things you *want* to buy, but don't necessarily *need*. Even though that widescreen TV or leather couch is tempting, there are some smarter things you could do. Regardless of how big or small your tax refund is, it is important to take the time to consider what you are going to do with it. Here are a few suggestions to make the most of it.

1. Emergency Savings: Financial experts advise that you save three to six months worth the living expenses in case of an emergency. In reality, many of us do not have the resources to do this. Using your tax refund to start an emergency fund or strengthen an existing one is always a great idea. When opening a savings account, consider online savings accounts, which generally offer a higher percentage yield than your local bank. A higher percentage yield means you can make more money on your money. Go to www.bankrate.com to compare the annual percentage yield (APY) at different financial institutions.

2. Certificate of Deposit: A CD is basically a high yield savings account that can be opened up at most banking institutions and online. You decide how many months or years the money will remain in the bank and accrue interest. The longer your money remains in the bank, the more



interest you will earn. Be sure to think through the timeframe, because taking the money out early has penalties. It may be a good idea to take some (or all) of the money and put it into a six month CD, so it will be ready in time for the holidays! Most financial institutions require a minimum deposit to open a CD. Do some research and find a CD with a high interest yield that will suit your needs.

3. Individual Retirement Account: An IRA can be opened at most local banks or online and is a good way to start saving for retirement, especially if your employer does not offer a retirement plan. Most people do not understand that social security is never to be considered a primary source of retirement income and that saving for retirement should start as early as possible. The sooner you start saving, the more you will have by the time you are ready to retire. When opening an IRA, try to avoid financial institutions that charge excessive maintenance fees or are unwilling to give you free advice and education on managing your retirement account.

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The two most common types of IRAs are traditional IRAs and Roth IRAs. Each has its own tax advantages and maximum contributions per year, so be sure to ask questions and find out which would be the best for you.

4. Service Your Vehicle: When it's time to tighten the budget, your vehicle is often neglected. Having a well maintained car can help to improve your gas mileage and even extend its life. If you have been putting off that oil change or tune up, now may be a good time to look into it. It will save you money in the long run.

5. Pay Down Debt: If you are using your tax refund to pay down debt, it is most beneficial to pay down the debt with the highest interest rate first. The interest rate is what costs you the most money so get rid of that balance and save some money! □

People have been receiving e-mails that they are going to be audited, going to receive an additional refund or that the tax laws have changed. These e-mails instruct people to click on a series of links to learn more. In some situations, these links download viruses giving the scam artist access to your computer. In other situations, the links will ask you to fill out forms requesting your personal information.

Phone calls have also been reported where the caller claims to represent the IRS and is checking on the status of a paper check refund. The caller states that because the check has not been cashed, they want to verify the individual's bank account number.

What do all of these situations have in common? Someone is contacting you and asking for **your** information. If they are contacting you, shouldn't they have it already? Never give your information out to anyone that calls you. If you think you have been targeted, forward any suspicious-looking e-mails to phishing@irs.gov or call the Federal Trade Commission at 1-877-FTC-HELP or 1-877-ID-THEFT. □

Tax Season Scams

The months surrounding tax season can certainly get pretty hectic. Not only do we want to make sure that our taxes are filed correctly and on-time, but we want the best possible outcome. That means owing the least or getting the most refunded, depending on our particular situation. As if that wasn't enough to be concerned about, scam artists are falsely representing the IRS to catch unsuspecting individuals off guard and steal their identity.

Have you received an e-mail or phone call from someone claiming to represent the IRS that just didn't seem right? Did the call or e-mail try to persuade you that you may be eligible for an additional tax refund or that you are being audited? If so, it's possible that you have been targeted for one of these scams.



When Will I Receive My Tax Rebate?

From May to July over 130 million tax filers will receive a tax rebate as apart of the government's economic stimulus package. The date you will receive your tax rebate depends on a few things:

- The last 2 digits of your Social Security number
- If your tax refund was direct deposited into your bank account
- If your taxes are processed by April 15

If your taxes are processed by April 15 and your refund was direct deposited, you should receive the stimulus payment between May 2 and 16. The actual date that the money will be deposited depends on the last 2 digits of your social security number. Those with the last two digits of 00-20 should notice a deposit by May 2nd, 21-75 by May 9th, and 76-99 by May 16.

Keep in mind that your taxes must be processed by April 15. If you file on April 14, it doesn't mean they will be processed that day. It typically takes over a

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Did You Know?

- In recent months, the prices of groceries have increased dramatically. Many of us are aware of the benefits of shopping for items on sale, and getting coupons from the newspaper or internet, but even that may not be enough. The price of staples such as milk, eggs and bread are rarely on sale. Did you know that you can oftentimes call the 800 number on the back of a product and ask to have coupons mailed to you?



- With talk of gas prices reaching four dollars, every little bit of savings counts. The cost of gasoline varies and it can be pretty frustrating to fill up and drive down the road to see a better deal. Did you know that websites such as www.gasbuddy.com and www.mapquest.com can help you find the cheapest gas in your area?

- Congress has passed legislation requiring all television broadcasters to convert their programming from analog to digital signals by February 17th, 2009. This means that if you have a traditional analog "tube" television and rely on basic cable, then you will have to purchase a digital-to-analog converter box in order to receive programming after that date. This does not apply to you if you have an HDTV with a built-in digital tuner or already have a cable box from your provider. Most cable boxes already convert digital to analog signals. However, if you are one of the individuals who need to buy a box, did you know that the government has a coupon program?

According to The Department of Commerce's National Telecommunications and Information Administration (NTIA), "as of January 1, 2008, all U.S. households are eligible to request up to two coupons, worth \$40 each, to be used toward the purchase of up to two, digital-to-analog converter boxes". Just call 1-888-388-2009 for more information. □

Celebrity \$ense

"Money never made a man happy yet, nor will it. The more a man has, the more he wants. Instead of filling a vacuum, it makes one."

~Benjamin Franklin

Tax Rebate

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week. Jointly filed returns will receive their payment based on the first social security number listed. If your taxes are processed by April 15, but you didn't request direct deposit, your paper check should

00-09	May 16	26-38.....	June 6	64-75.....	June 27
10-18	May 23	39-51.....	June 13	76-87.....	July 4
19-25	May 30	52-63.....	June 20	88-99.....	July 11

arrive between May 16 and July 11 based on the last 2 digits of your social security number as follows: According to the IRS, there may be exclusions to the proposed timetable. Some tax returns may require more time and with any large amount of processing it is possible that some may not go according to schedule. Additionally, if your taxes are not processed by, or are filed after April 15, you will receive your payment at a later date. □

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Spotlight on the Community

DCC kept warm over the Winter by running around Long Island! We continued to visit MOMMA's House locations to counsel and educate single, homeless, teenage mothers. Workshops were conducted at C.W. Post Campus of Long Island University and the Displaced Homemakers Program at the Economic Opportunity Commission of Nassau County. Credit Counseling was provided for Queens Hospital Employees and a seminar on the risks and benefits of credit cards was presented to the Bretton Woods Senior Citizens Club in Coram.

Urban League's GEAR UP program invited DCC back to work with teens and their parents on saving for college. Ms. Corey Backes also continued to work with Junior Achievement as a volunteer for their Economics for Success program at Clark Middle School.

We would like to welcome Dowling College as a partner! In March, DCC conducted its first workshop as part of their First Year Experience Program.

What's New at DCC

If you reside in the Long Island, New York area, please visit us for our monthly in-house seminars to take advantage of our *Educational Incentive Program*. If you attend a monthly seminar and are enrolled in our DMP, your monthly maintenance fee will be directed to a creditor of your choice in the following month to help pay down your debt faster. Mark your calendar for our upcoming seminars!

April 22, 2008 at 6:30pm - Life After Graduation

May 27, 2008 at 6:30pm - Identity Theft

June 24, 2008 at 12:30pm - Saving for Retirement: The Time is NOW!

Seating is limited, so reserve your seat today!

Contact Ms. Backes at 1.888.354.6332, ext. 316.



The mission of Debt Counseling Corp. is to educate the general public about debt management options such as budgeting, refinancing, and a debt management program; to provide consumers consistent, superior, individualized service; to provide each consumer with the tools they need to develop and modify a budget which will allow them to maintain a dignified lifestyle.

Debt Counseling Corp. is also committed to assisting the creditors with collecting consumer debt by helping avoid bankruptcy whenever possible and eliminating their financial burden.