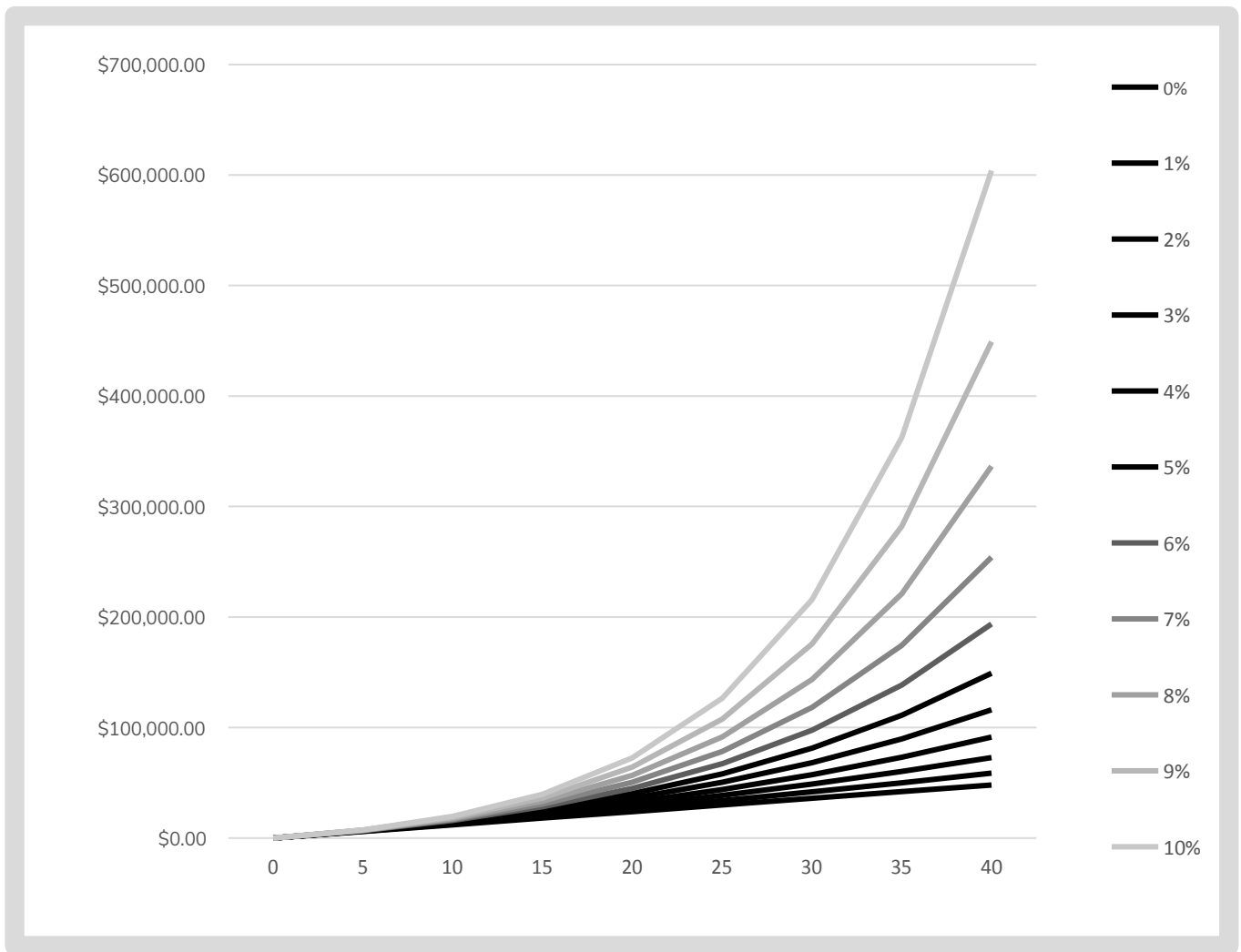




# Coffee-A-Day Compound Interest

## \$3.25/Day or \$100/Month

		Interest Rate										
		0%	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%
Years	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	5	\$6,000.00	\$6,121.77	\$6,247.15	\$6,376.26	\$6,509.23	\$6,646.16	\$6,787.21	\$6,932.49	\$7,082.15	\$7,236.33	\$7,395.17
	10	\$12,000.00	\$12,557.27	\$13,150.75	\$13,783.04	\$14,456.97	\$15,175.58	\$15,942.14	\$16,760.16	\$17,633.46	\$18,566.10	\$19,562.50
	15	\$18,000.00	\$19,322.59	\$20,779.76	\$22,386.87	\$24,161.14	\$26,121.88	\$28,290.76	\$30,692.12	\$33,353.28	\$36,304.92	\$39,581.53
	20	\$24,000.00	\$26,434.63	\$29,210.43	\$32,381.23	\$36,009.89	\$40,169.90	\$44,947.21	\$50,442.42	\$56,773.39	\$64,078.25	\$72,519.01
	25	\$30,000.00	\$33,911.15	\$38,526.98	\$43,990.84	\$50,477.18	\$58,198.56	\$67,414.26	\$78,440.94	\$91,665.74	\$107,562.43	\$126,711.35
	30	\$36,000.00	\$41,770.84	\$48,822.50	\$57,476.76	\$68,141.69	\$81,335.79	\$97,718.94	\$118,132.35	\$143,649.96	\$175,644.77	\$215,874.48
	35	\$42,000.00	\$50,033.33	\$60,199.87	\$73,142.23	\$89,710.00	\$111,029.15	\$138,595.41	\$174,399.89	\$221,098.42	\$282,240.02	\$362,575.38
	40	\$48,000.00	\$58,719.27	\$72,772.76	\$91,339.51	\$116,044.83	\$149,136.39	\$193,731.65	\$254,166.18	\$336,484.68	\$449,134.16	\$603,943.68



# Crafting a Relationship with a Financial Institution

A relationship with a financial institution will allow you to track your funds, save money safely, and possibly build credit. It doesn't hurt to have a relationship with a bank when you need a loan for a car or house, either.

## Selecting the Right Credit Union or Bank for You

There are nearly limitless options for banking these days. You can choose a national bank, local bank, credit union or even an online bank. It is important that you find the bank that will work best for you. Do you care about in-person customer service? Account minimums? Overdraft protection? Loan availability and rates? Community involvement? Compare interest? ATM locations? Fees?

No financial institution is perfect, but you should be able to establish a relationship with a bank or credit union you trust, and which will be mutually beneficial to you and the institution.

### Step One: Prioritize

Think about what is most important to you in a banking situation. Do you want to develop a personal relationship with a bank? Or is it important that you be able to access your branch offices when you are out of town?

### Step Two: Personalize

Consider what services you will need. Are you interested in online banking? Do you use banking apps? Look for an institution that offers no cost online banking. Do you use an ATM often? Look for a bank or credit union that offers low-cost or free ATM access and has a wide ATM network.

### Step Three: Compare

Compare interest rates and service charges for all accounts you will have (we recommend that you use at least a checking and a savings account). Are there charges for your checking account each month? If so, shop around to see if there is something comparable available for no cost. Do you receive a reasonable return on your savings accounts given market conditions? If not, look around to see if another bank offers a better rate for savings or money market.

### Step Four: Convenience

Consider a financial institution that is convenient to your everyday activities. Look for a credit union or bank with branches that are on your drive to work or are near places you frequently go. Some credit unions partner with other credit unions across the country to deliver the same service wherever you are.

### Step Five: Relationship

Stop by the branch office where you will be banking most often. Do you enjoy the staff people? Are they personable, friendly and professional? Are managers and account officers available? Are the hours of operations sufficient for your needs?

Ask around! Your friends and family most likely have some banking experience and can make good recommendations.

# Crafting a Relationship with a Financial Institution

## Bank, Credit Union and Internet Bank Comparison

	<b>Big banks</b>	<b>Regional banks</b>	<b>Credit unions</b>	<b>Internet Banks</b>
<b>General definition and attributes</b>	Assets > \$1,000 billion, national market, one-stop shop for financial services and products	Assets > \$10 billion, operate in regional markets	Not-for-profit and member owned; credit unions have membership/eligibility requirements	No branches (no live tellers), online banking only and phone service only, accounts generally available in all 50 states
<b>Widely available ATMs?</b>	X	X	X	
<b>Location of branches/ATMS</b>	Across the country, national markets	Within regional markets	Typically only within regional markets; *note: some credit unions participate in networks with nationwide ATM access	No branches; part of ATM networks (e.g., Allpoint)
<b>Customer service</b>	24/7 service availability, less personal, better online technology	Varies	Personalized service, service hours more limited. Technology may lag behind big banks	24/7 service through phone and web, better online technology
<b>Financial terms (fees and rates)</b>	Standardized account offerings, stricter requirements /higher fees, lower interest rates on deposit accounts	Similar to big banks, but more diverse account offerings and terms	Lower fees and less strict requirements	Lower fees, higher interest rates on deposit accounts (e.g., savings account)

Source: <https://www.nerdwallet.com/blog/banking/financial-institutions/>

# Open a Roth IRA

Here are four step-by-step ways to open a Roth IRA to begin saving with tax-free growth.

## Online Brokerage Company – Like Charles Schwab

1. Save \$100
2. Go to <https://www.schwab.com/>, Click on “Open an Account.”
3. Open a “Roth IRA Account”
4. Bring a check or Money Order to Charles Schwab for \$100, 800 Pearl St, Eugene, OR 97401.
5. Invest. Consider a low fee index fund like:
  - a. Schwab Total Stock Market Index Fund (SWTSX) (.03% Annual Fee)

## Automatic & Found Money Investing – Like Acorns

1. Open a Credit Union Checking Account
2. Go to <https://www.acorns.com/>. Click on “Sign up”
3. Open a Roth IRA Account
4. Link your credit union debit card to Acorns and the process starts
5. Invest. Acorns will automatically put you in a diversified fund

## Robo Investing – Like Betterment

1. Open a Credit Union Checking Account
2. Go to <https://www.betterment.com/> Click on “Get Started”
3. Select: “Saving for retirement” and answer other questions.
4. Connect your bank with Betterment, decide how much you'd like to transfer
5. Invest. Betterment will automatically put you in a diversified fund

## Your Credit Union

1. Open a Credit Union Checking Account
2. Go to your credit union and tell them you want to open a Roth IRA.
3. Ask to put your money in a low-fee, diversified index fund.
4. They'll help you get started from here.

# Kiplinger's Best Online Brokers

By Nellie S. Huang | November 2014

Investing through an online broker is a slam dunk: It's easy and fees are reasonable. The hard part is zeroing in on the broker that's right for you. We surveyed nine firms and analyzed each in seven broad areas. Overall scores depend heavily on how much weight you assign each category. We weighted the categories based on what our readers consider vital: investment choices, 25%; tools, 20%; Web site and mobile functionality, 15% each; commissions and fees, and research 10% each; and advisory services, 5%.

	Overall	Costs	Investment Choices	Tools	Research	Website	Mobile	Advisory services
1. Fidelity	★★★★☆	★★★☆☆	★★★★☆	★★★★☆	★★★★★	★★★★★	★★★★☆	★★★★☆
2. Charles Schwab	★★★★☆	★★☆☆☆	★★★★★	★★★★☆	★★★★☆	★★★★☆	★★★★★	★★★★★
3. Merrill Edge	★★★★☆	★★★☆☆	★★★☆☆	★★★★★	★★☆☆☆	★★★★★	★★★★☆	★★★☆☆
4. E*Trade	★★★☆☆	★★★☆☆	★★☆☆☆	★★★☆☆	★★☆☆☆	★★★★★	★★★★★	★★★★☆
5. TD Ameritrade	★★★☆☆	★★☆☆☆	★★★★☆	★★☆☆☆	★★☆☆☆	★★★★★	★★★★★	★★☆☆☆
6. Scottrade	★★★☆☆	★★☆☆☆	★★★★☆	★★☆☆☆	★★☆☆☆	★★★★★	★★★★☆	☆☆☆☆☆
7. TradeStation	★★☆☆☆	★★☆☆☆	★★☆☆☆	★★☆☆☆	☆☆☆☆☆	★★★★★	★★☆☆☆	☆☆☆☆☆
8. TradeKing	★★☆☆☆	★★☆☆☆	☆☆☆☆☆	★★☆☆☆	☆☆☆☆☆	★★★★☆	★★☆☆☆	★★☆☆☆
9. Firstrate	★★☆☆☆	★★★★☆	☆☆☆☆☆	☆☆☆☆☆	☆☆☆☆☆	★★★★☆	★★☆☆☆	☆☆☆☆☆

**Ultimately, you should decide what you consider most important and choose a broker accordingly.** The best broker for you may not be the one that tops the charts. Your choice may boil down to the kind of investor you are. Active traders and new investors, for example, have very different needs and would likely prefer the services of different firms.

**Take a look at our reviews of the following nine brokers to see which is the best fit for you.**

<http://www.kiplinger.com/slideshow/investing/T023-S003-best-online-brokers/index.html>

*\*To be included, firms had to offer online trading of stocks, ETFs, mutual funds and bonds. That eliminated firms such as T. Rowe Price, among others, that offer bond trading only through a representative. Vanguard opted not to participate, as did Interactive Brokers.*

*The latter was in the middle of beefing up its mutual fund offerings and asked to be excused from the 2014 survey.*

# Savers' Credit

## Credit for Qualified Retirement Savings Contribution (Form 8880)

You may be able to take a tax credit for making eligible contributions to your IRA or employer-sponsored retirement plan.

### Who's eligible for the credit?

You're eligible for the credit if you're:

1. Age 18 or older;
2. Not a full-time student; and
3. Not claimed as a dependent on another person's return.

See the instructions for **Form 8880, Credit for Qualified Retirement Savings Contributions**, for the definition of a full-time student.

### Amount of the credit

The amount of the credit is 50%, 20% or 10% of your retirement plan or IRA contributions up to \$2,000 (\$4,000 if married filing jointly), depending on your adjusted gross income (reported on your Form 1040 or 1040A). Use the chart below to calculate your credit.

**Form 8880** Credit for Qualified Retirement Savings Contributions  
 Attach to Form 1040, Form 1040A, or Form 1040EZ.  
 Department of the Treasury  
 Internal Revenue Service

**2015**  
 Form 8880 (2015)  
 Your state may have a different version.

You cannot take this credit if either of the following applies:  
 • The amount on Form 1040, line 36; Form 1040A, line 32; or Form 1040EZ, line 37 is more than \$30,000 (\$41,750 if head of household; \$47,000 if married filing jointly).  
 • The person(s) who made the qualified contribution or elective deferral was born after January 1, 1998, (s)he is claimed as a dependent on someone else's 2015 tax return, or (s)he was a student prior instructions.

**1** Traditional and Roth IRA contributions for 2015. Do not include rollover contributions. **2** Elective deferrals to a 401(k) or other qualified employer plan, voluntary employee contributions, and 501(c)(18) plan contributions for 2015. (See instructions.)  
**3** Add lines 1 and 2.  
**4** Certain distributions received after 2012 and before the due date (including extensions) of your 2015 tax return (see instructions), if married filing jointly, include both spouses' amounts in both columns. (See instructions for an exception.)  
**5** Subtract line 4 from line 3. If zero or less, enter 0.  
**6** In each column, enter the smaller of line 5 or \$2,000.  
**7** Add the amounts on line 6. If zero, stop; you cannot take this credit.  
**8** Enter the amount from Form 1040, line 38; Form 1040A, line 25; or Form 1040EZ, line 37.  
**9** Enter the appropriate decimal amount shown below:

If line 8 is—	And your filing status is—		
	Married filing jointly	Head of household	Single, Married filing separately, or Qualifying widow(er)
Over \$150,000	0.05	0.05	0.05
\$100,000 - \$150,000	0.10	0.10	0.10
\$75,000 - \$100,000	0.20	0.20	0.20
\$50,000 - \$75,000	0.30	0.30	0.30
\$30,000 - \$50,000	0.50	0.50	0.50
\$20,000 - \$30,000	0.50	0.50	0.50
\$10,000 - \$20,000	0.50	0.50	0.50
\$0 - \$10,000	0.50	0.50	0.50

**10** Multiply line 7 by line 9.  
**11** Limitation based on tax liability. Enter the amount from the Credit Limit Worksheet in the instructions.  
**12** Credit for qualified retirement savings contributions. Enter the smaller of line 10 or line 11 here.

Form 8880 (2015)

### 2016 Saver's Credit

Credit Rate	Married Filing Jointly	Head of Household	All Other Filers*
50% of your contribution	AGI not more than	AGI not more than	AGI not more than
20% of your contribution	\$37,001 - \$40,000	\$27,751 - \$30,000	\$18,501 - \$20,000
10% of your contribution	\$40,001 - \$61,500	\$30,001 - \$46,125	\$20,001 - \$30,750
0% of your contribution	more than \$61,500	more than \$46,125	more than \$30,750

### Retirement savings eligible for the credit

The Saver's Credit can be taken for your contributions to a traditional or Roth IRA; your 401(k), SIMPLE IRA, SARSEP, 403(b), 501(c)(18) or governmental 457(b) plan; and your voluntary after-tax employee contributions to your qualified retirement and 403(b) plans.

Rollover contributions (money that you moved from another retirement plan or IRA) aren't eligible for the Saver's Credit. Also, your eligible contributions may be reduced by any recent distributions you received from a retirement plan or IRA.

\*Single, married filing separately, or qualifying widow(er)

<https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>

# Six Rules to Disciplined Investing

October 6, 2015 By Rick Ferri

Investment discipline isn't easy. Despite best intentions and claims to the contrary, many investors chase performance, react emotionally to market moods, and generally incur far more trading costs than good discipline would suggest. Even when there is a long-term plan in place, if it's not followed, the plan is useless. Over the years, I've seen good intentions go by the wayside time and again because discipline was not followed.

These observations aren't limited to individual investors. I've seen similar conduct from investment advisers who claim to have a disciplined strategy, only to add that they'll "adapt to changing market conditions" when warranted. This loophole leaves an ample opening for ever-shifting adjustments based on what seems to be the right move at the time. It's particularly common in bear markets when clients become anxious and hint that they may be looking to take their business elsewhere. Loopholes in discipline statements may allow an adviser to retain skittish clients, but lack of discipline is rarely in a client's best long-term interest.

I've put together six rules to disciplined investing. They will help you (and perhaps your adviser) make better long-term decisions:

1. Have a long-term investment philosophy.
2. Form a prudent asset allocation based on this philosophy.
3. Select low-cost funds to represent asset classes in the allocation.
4. Maintain this portfolio through all market conditions.
5. Don't change the asset allocation due to recent market activity.
6. Don't hold back on new investments while waiting for market clarity.

**Have a long-term investment philosophy:** There are two investment philosophies in the world. You either believe you have a high probability of beating the markets or you don't. I decided a long time ago that the markets are more efficient at pricing securities than I could ever hope to be. I do not have enough skill to consistently add value to a portfolio by picking mispriced stocks, bonds, industry sectors, countries, or entire markets. So I don't try. Market returns are all I need to achieve my long-term financial goal.

**Form a prudent asset allocation based on this philosophy:** Asset allocation is how a portfolio is diversified among asset classes. A prudent asset allocation should be based on each person's own long-term financial goals. This gives you a personalized beacon to follow through turbulent market conditions. The allocation should be in fixed percentages that you plan to stick with over time, rather than floating or tactical reactions to the ongoing turbulence.



**Select low-cost funds to represent asset classes in the allocation:** Implement the asset allocation using an appropriate mix of index funds and exchange-traded funds (ETFs). These products provide broad diversification within an asset class for a very low cost. Building a select portfolio of index funds and ETFs that tracks the markets will help you receive your fair share of the markets' returns.

**Maintain this portfolio through all market conditions:** Markets do not remain at their current levels for long, yet a portfolio should be maintained at roughly the same asset allocation through all market conditions. [Rebalancing](#) helps control the portfolio allocation. An annual rebalancing can serve as the method to maintain a portfolio. Cash contributions and withdrawals also provide an occasion to rebalance.

**Don't change the asset allocation due to recent market activity:** Since a portfolio is based on long-term needs, it should be maintained for the long-term. If you're not willing to hold an asset class or fund for the next 10 years, then you shouldn't own it now. It doesn't matter what's going on in the markets today; build and hold your portfolio for the long haul, giving it the greatest chance to fulfill its intended purpose.

**Don't hold back on new investments while waiting for market clarity:** It's not easy to invest new money in a portfolio that has recently lost money, but that's what you have to do. If your plan is to invest every month, then invest every month regardless of recent market activity. Discipline in investing is about forming good habits and then doing them consistently.

Some critics of these methods say these rules are too rigid – they don't offer flexibility for what's happening in the markets today. Well, THAT'S what discipline means! It's discipline that makes a plan work. Create a plan and stick to it.

Part of your plan may be to make an asset allocation change at the appropriate time in the future when your own life's circumstances have changed. These circumstances can be related to your health, career, retirement, a lump-sum windfall or a similar life-changing event. The shift may result in a different allocation, but it remains just as important to maintain discipline.

Investment discipline is easy to read about. It's the same as a doctor telling you to exercise regularly, eat right and get plenty of rest. It sounds so easy when someone else says it! Yet, in real life, it's not so easy to do. That's why we have to be reminded to be disciplined. My advice is to re-visit this post whenever you may doubt your discipline.

Remember, a well-balanced portfolio works if you actually do it – in good times and in bad. For more information on this topic, please read [All About Asset Allocation](#), 2<sup>nd</sup> edition, McGraw-Hill, 2010.

Source: [http://www.rickferri.com/blog/investments/six-rules-to-disciplined-investing/?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+RickFerri+%28Rick+Ferri+Blog%29](http://www.rickferri.com/blog/investments/six-rules-to-disciplined-investing/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+RickFerri+%28Rick+Ferri+Blog%29)

# How to File Your Income Taxes

## What You Need to File Your Taxes

Before you begin filing your 1040 tax form, make sure you have the following information ready:

- Proof of identification
- Filing status and residency status
- Social Security Numbers for you, your spouse, and any dependents
- Dates of birth for you, your spouse, and any dependents
- A copy of your past tax return
- Statements of wages earned (e.g., W-2, W-2G, 1099-R, etc.)
- Statements of interest/dividends from banks, brokerages, etc.
- Proof of any tax credits, tax deductions, or tax exclusions
- Your bank account number and routing number (for Direct Deposit)

## Decide Which Filing Method Is Best for You

**Tax Preparation Software** — Tax preparation software is becoming more and more popular for many reasons. Most tax preparation programs will be able to answer any questions you may have. Additionally, much of the software is built to help you take advantage of as many tax deductions and tax credits as possible.

**Free: United Way's My Free Taxes:** <http://www.unitedway.org/myfreetaxes>

**Tax Professional** — When you hire a professional to prepare your federal income tax return, you are generally cutting out all of the “guesswork.” You can be confident that your return is accurate and that you are saving as much money as possible. The downside to this is that you will pass the control to the tax professional, and of course, you have to pay for this tax preparation service.

**Free: AARP Tax-Aide Sites:** [http://www.aarp.org/money/taxes/aarp\\_taxaide/](http://www.aarp.org/money/taxes/aarp_taxaide/)

**Paper Filing** — Even in today's day and age of digital technology, many people still feel more secure preparing taxes with good old pen and paper. With paper filing, you are in charge of every detail from start to finish – but there is no immediate tax help available.

**Free:** 1040 and 1040EZ forms are available at the library during tax season.

Sources: <https://www.irs.com/articles/how-to-file-your-income-tax-return>

<http://www.unitedway.org/>

# Understanding Your Filing Status

The five filing statuses are:

- 1) Single: never married
- 2) married filing jointly:

taxpayers who live together in a common-law marriage recognized by the state where the marriage began  
:Common-law states: Alabama, Colorado, District of Columbia, Iowa, Kansas, Montana, Oklahoma, Pennsylvania, Rhode Island, South Carolina, and Texas

taxpayers who live apart but are not legally separated

taxpayers whose spouses died during the year and who have not remarried

Both husband and wife must sign the income tax return. Special rules apply when a spouse cannot sign the tax return because of death, illness, or absence.

Both husband and wife are responsible for any tax owed.

## The lowest tax rates apply to the married filing jointly filing status.

- 3) married filing separately

Each spouse prepares a separate tax return that reports his or her individual income and deductions.

## Tax rates are highest for the married filing separately filing status.

Some taxpayers choose the married filing separately filing status so that one spouse will not be responsible for the other spouse's tax liability.

- 4) head of household

## Tax rates for **head of household** are lower than those for single taxpayers.

In general, taxpayers use head of household filing status if they are unmarried or considered unmarried as of the end of the year, and **provide more than half the cost of keeping up a home for a qualified person for more than half of the year.** (Dependent parents do **not** have to live with taxpayer.)

Keeping up a home includes rent, mortgage interest, taxes, insurance, repairs, utilities, paying for domestic help, and food eaten in the home.

- 5) qualifying widow(er) with dependent child

# Understanding Your Filing Status

Who can be claimed as a Dependent?

## **Dependent Taxpayer Test — Qualifying Child**

If you could be claimed as a dependent by another person, you cannot claim anyone else as a dependent. Even if you have a qualifying child or a qualifying relative, you cannot claim that person as a dependent.

## **Joint Return Test — Qualifying Child**

Unmarried, or Married but does not file a joint return, or

Married and files a joint return only to claim a refund of withheld tax, neither the dependent nor spouse can claim personal exemption on their joint return

## **Citizen or Resident Test — Qualifying Child**

A U.S. citizen or resident or a resident of Canada or Mexico

## **Relationship Test — Qualifying Child**

Your son, daughter, stepchild, eligible foster child, adopted child, or a descendant (for example, your grandchild) of any of them, or

Your brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant (for example, your niece or nephew) of any of them.

## **Age Test — Qualifying Child**

Under age 19 at the end of the year and younger than you (or your spouse if filing jointly)

A full-time student under age 24 at the end of the year, and younger than you (or your spouse if filing jointly) Permanently and totally disabled at any time during the year, regardless of age.

## **Residency Test — Qualifying Child**

Have lived with you for more than half of the year

## **Support Test — Qualifying Child**

Not have provided more than half of his or her own support

# A Guide to Consumer Protection in Oregon

**N**avigating among the agencies that protect consumers can be challenging. The following is a list of topics and the state agencies or other organizations that cover them.

## Auto repair

“The auto repair shop did not repair what I requested.”

Oregon Attorney General’s Office  
877-877-9392 (toll-free)

## Bankruptcy

“I think I need to file for bankruptcy. Who do I turn to?”

Oregon Law Center  
<http://oregonlawhelp.org/issues/consumer/bankruptcy>

## Career (vocational) schools

“The career school (beauty, welding, etc.) I attend closed without notice. Who do I call?”

Oregon Private Career Schools Licensing Unit  
503-947-5751  
Website: [www.ode.state.or.us/go/pcs](http://www.ode.state.or.us/go/pcs)



## Debt collection

“How do I stop debt collectors from harassing me at work?”

Oregon Attorney General’s Office  
877-877-9392 (toll-free)

## Debt reduction companies

“I need help with my debt. Who can help me?”

Oregon Division of Finance and Corporate Securities  
866-814-9710 (toll-free)

### Direct deposit advances

"I'm getting an advance on my Social Security disability check. Can they charge these fees?"

Consumer Finance Protection Bureau  
855-411-2372 (toll-free)

### Home repair scams

"I paid for home repairs, but they were never done."

Oregon Construction Contractor's Board  
503-378-4621

### For-profit degree schools

"The private college or university I enrolled in abruptly closed. What do I do?"

Oregon Office of Degree Authorization  
503-373-0014

### Loans – payday, short term, title

"Is this Internet lender legitimate? Should I wire money upfront to get a loan?"

Oregon Division of Finance and  
Corporate Securities  
866-814-9710 (toll-free)

### Medical insurance

"I was told this medical procedure was covered but I was charged."

Oregon Insurance Division, consumer advocates  
888-877-4894 (toll-free)

### Prepaid cards

"Why am I charged for so many fees?"

Consumer Finance Protection Bureau  
855-411-2372 (toll-free)

### Wiring or transferring money

"I wired money but it didn't go through – why?"

Oregon Division of Finance and  
Corporate Securities  
866-814-9710 (toll-free)



### A Word about refund anticipation loans

Refund anticipation loans (RALs) provide fast tax refunds but at a high cost. Consider filing online and choosing direct deposit. You will get your Oregon refund in as little as four to 10 days (the federal return may take a little longer).

Check if you qualify to file your federal tax return online for free at [www.irs.gov](http://www.irs.gov). Click on the free e-file logo (for Oregon visit <http://www.oregon.gov/dor/ESERV/Pages/elf-individuals.aspx>).

If you do not have access to a computer, or need help with filing, the Volunteer Income Tax Assistance (VITA) program offers free help for those who qualify: 800-906-9887 (toll-free). The Tax Counseling for the Elderly (TCE) also offers free help: 888-227-7669 (toll-free).

### An easy way to save

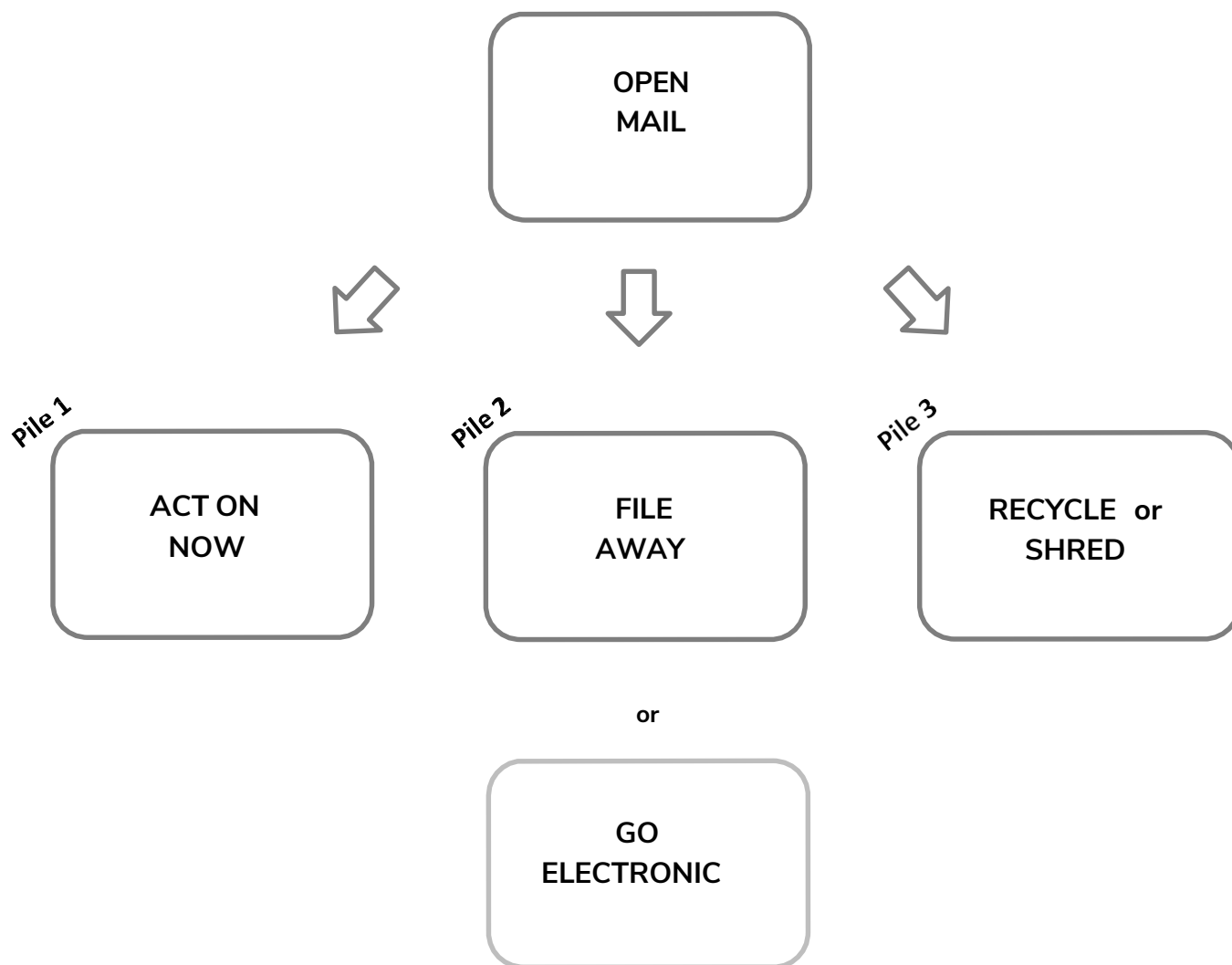
Saving is the best way to avoid taking out loans or maxing out credit cards. Intimidating? Try small steps. Start with loose change and place it in a jar or piggybank. Pay yourself first – take out \$3 from each paycheck – before you pay bills and then increase it every couple months. When shopping, ask yourself: Do I really need this? Can I buy the same thing only cheaper?

Produced by: Oregon Division of Finance and Corporate Securities  
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866-814-9710 (toll-free)



# Organizing Records

Being a responsible consumer means keeping track of your documents in an effective way. There are several techniques that will help you do this with minimal pain and suffering.



**Open your mail.** If you don't open it, you won't know what to do with it.

- With the constant mergers, and buy-outs of financial companies, it's important to keep track of who your creditors actually are. Use a copy of your credit report to get up-to-date creditors addresses.
- Important changes to your insurance policies and financial accounts will often arrive in the mail. These documents should be reviewed and saved.
- When you buy a house, it is common that your loan will be sold to another servicer or lender. If you aren't aware of these transfers, you will not know where to send your payment and it may not be credited to your account correctly.

# Financial Record Keeping

The following chart lists records and important papers typically needed by many families. Because your household is unique, you may have additional records for your household file or safe deposit box. Space to list these appears at the end of the chart. In addition to documents kept in a safe deposit box (costly or hard-to-replace items such as original birth and marriage certificates, property titles, etc.), many important records need to be filed systematically and conveniently at home.

WHAT?	WHY?	HOW LONG (usually)?
1. Bank Records Cancelled checks* Bank statements Deposit slips List of account numbers Savings acct. statements	Proof of payment of bills; tax claims* As a monthly financial record Comparison with bank statements Information for family members Information for family members; tax claims*	3-6 years* 2 years 3-6 months While in force While in force plus 3-6 years*
2. Church Records	Reference and information for family members	Permanent
3. Debt Records	Proof of terms of transactions; income tax deductions (non-consumer credit)	While in force plus 3-6 years*
4. Educational Records	For employment references and/or admission to training programs or educational institutions	Permanent
5. Employment Records	To document work and income history for Social Security and other benefits (including annual IRS form W-2)	Permanent
6. Farm or Other Family Business Records	Analysis of farm or other family business enterprise; income tax preparation	Up to 6 years*
7. Genealogy (family tree)	Reference for family members	Permanent
8. Health Records of Individual Family Members	School admission; passport; reference of family members	Permanent
9. Home Purchase & Improvement Records	To calculate basis and capital gains or losses when property is sold; support income tax claims	During ownership (plus 3-6 years after taxable disposition of property)*
10. Household Account Book	As basis for planning future spending; reference for financial analysis	2 or more years
11. Income and Employment Records	Reference for income tax, social security and retirement contributions; employment documentation	6 years to permanent*
12. Income Tax Records	Support claims if return is audited (also keep supporting records)	3-6 years or permanent*
13. Insurance Policies**	Reference for periodic updating of coverage and/or payment of claims	While in force**
14. List of Contents of Safe Deposit Box	Reference and information for family members; documentation for insurance settlement should loss occur (fire or theft)***	Revise as contents change
15. List of Credit Cards (with address and phone number of each creditor)	For notification of creditors and replacement in case of loss	Review annually; revise as creditors change



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# Financial Record Keeping

WHAT?	WHY?	HOW LONG (usually)?
16. List of Creditor Addresses and Telephone Numbers for BILLING ERROR Notification	Address for "billing error notification" often is different than either the payment address or the "lost card notification" address	Review annually; revise as creditors change
17. List of Creditor PAYMENT ADDRESSES, Telephone Numbers, and Payment Dates	For quick reference in case statement or payment notice does not arrive in mail	Review annually; revise as creditors change
18. Net Worth Statement	For overall list of financial assets and liabilities; traces financial progress and serves as starting point for future financial planning	Update annually; retain as interested
19. Personal Property Inventories (copies of originals kept in safe deposit box)	Reference and information of family members; documentation for insurance claims	Revise annually (especially when new items are acquired or when items are sold or discarded)
20. Property Tax Records	Proof of payment; tax preparation; future reference	3-6 years* or permanent
21. Receipted Bills and Sales Slips (tax deductible items*)	Proof of paid bills; support income tax claims; proof of ownership for property insurance claims**	3-6 years* or during ownership**
22. Retirement and Pension Plans	Reference and information for family members	While in force
23. Warranties	Reference and information; adjustments of defects of equipment or parts	During ownership
24. Other (list)		
25. Other (list)		
26. Other (list)		

\* Note that the Internal Revenue Service has three (3) years in which to audit Federal income tax returns (or two years from the date the tax was paid, whichever is later). However, this limit does not apply in "unusual" cases. If an amount of income that should have been reported was not reported, and it is more than 25 percent of the income shown on the return, the period of limitation does not expire until six (6) years after the return was filed. There is no period of limitation when a return is false or fraudulent, or when no return is filed. (See IRS Publication #552, "Record-keeping for Individuals.")

While you don't have to keep all possible financial records for tax purposes, if audited you will want to have cancelled checks and/or payment receipts relating directly to entries on your tax return. In some cases, it is advantageous to keep records longer than the typical period—for example, when selling your principal residence and claiming the capital gains exclusion allowed by IRS, documentation of original purchase price and capital improvements can be required.

\*\* Check with your insurance agent or broker for company requirements of proof of purchase and/or ownership of real and personal property in the event an insurance claim is filed. (In some cases, payment receipts are required; in other cases a written inventory and/or photographs is adequate documentation.)

\*\*\* Contents of a safe deposit box usually are not covered by Federal Deposit Insurance Corporation (FDIC). Check with your insurance broker/agent regarding coverage under your homeowners insurance policy or other coverage provisions available.

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Keith L. Smith, Associate Vice President for Ag. Adm. and Director, OSU Extension

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# Insurance Definitions

<b>1. Risk</b>	A situation involving exposure to danger, harm, or financial loss.
<b>2. Risk Pooling</b>	The spreading of financial risk among a large number of insurance policy holders.
<b>3. Insurance Policy</b>	A contract through which you receive financial protection or reimbursement against loss.
<b>4. Premium</b>	A regular payment you make to an insurance company (usually monthly, semi-annually or annually) to pay for insurance coverage.
<b>5. Loss</b>	An event of the type covered by your insurance policy which causes you a negative financial outcome (a car accident, a house fire, an illness).
<b>6. Claim</b>	A formal request to your insurance company asking for payment based on the terms of the insurance policy
<b>7. Deductible</b>	The amount of money you must pay towards your loss before your insurance coverage will begin paying. Applies to most types of insurance, including car and health insurance. Generally, the larger your deductible, the smaller your premium.
<b>8. Co-pay or co- insurance</b>	The share of your cost that you will pay (as a percentage or dollar amount) after the deductible is met. Common in health insurance.
<b>9. Liability coverage</b>	Insurance coverage that pays for injuries to other people or damage to their property for which you may be legally responsible.
<b>10. Comprehensive coverage</b>	Part of auto insurance that pays for repairing your car if it is damaged due to theft, vandalism, fire, etc.
<b>11. Collision coverage</b>	Part of auto insurance that pays for repairing your car if it is damaged in an accident.
<b>12. PIP coverage</b>	Part of auto insurance that pays your medical costs if you are hurt in an accident.
<b>13. Term life insurance</b>	Life insurance that covers you for a period of one or more years and pays a death benefit if you die in that period. Generally offers the largest insurance protection for your premium dollar; does not build up cash value.
<b>14. Whole life insurance</b>	Life insurance that covers you as long as you live if premiums are paid. Part of the premium is invested and builds up cash value that you may borrow against or use in other ways. Premiums are significantly higher at the beginning than for insurance without a cash value.

# Books, Websites and Podcasts We Use

Hopefully this class has inspired you to learn more about personal finance. We work at NEDCO because we believe in your power to shape your life by making well-informed financial decisions. It can be pretty simple (Spend less than you earn, Make a Plan, Save & Invest), but there is so much to learn! Here are a few resources that we use a lot. Let us know if you have other sites you use!

## **Books:**

*Rich Dad Poor Dad* by Richard Kiyosaki

*Your Money or Your Life* by Joe Dominguez and Vicki Robin

*The Index Card*, by Harold Pollack and Helaine Olsen

*The Millionaire Next Door* by Thomas Stanley, Ph.D. and William Danko, Ph.D.

*Personal Finance in Your 20s For Dummies*, by Eric Tyson

## **Websites:**

<https://www.consumerfinance.gov/>

<http://www.mrmoneymustache.com/>

<https://www.listenmoneymatters.com/>

<https://www.richdad.com>

<https://www.Moneyunder30.com>

<http://www.getrichslowly.org/>

<https://nerdwallet.com>

<https://daveramsey.com/blog>

<https://investor.gov> <https://calculators.org>

## **Podcasts:**

*Listen Money Matters*

*Planet Money*

*Radical Personal Finance*

*You Need a Budget*

*Millennial Money*