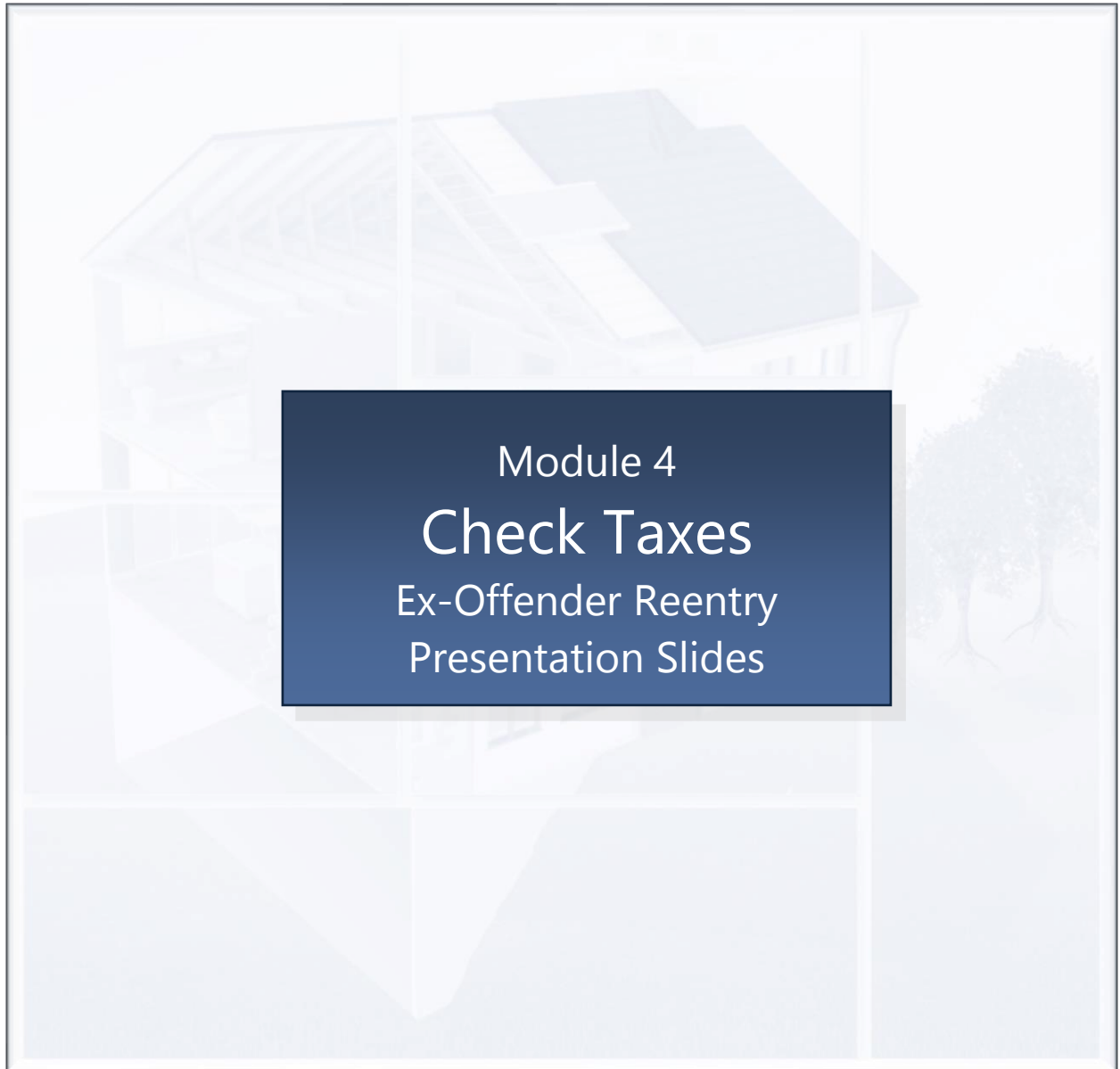


# Building Your Financial House

Set the Foundation of Your Future



Module 4  
Check Taxes  
Ex-Offender Reentry  
Presentation Slides



# Building Your Financial House WELCOME

## Housekeeping

- Please mute your phone or computer to eliminate background noise.
- To maximize bandwidth:
  - (Turn camera off)
  - Close unused apps or webpages
- Please raise hand or use chat feature for questions.

## Prior to Today's Session

The screenshot shows a web interface for a self-assessment. It includes sections for 'Current Practice', 'Pre-Session Questionnaire', and 'Action Items'. The questionnaire has seven numbered questions with multiple-choice options. A 'Please share any additional comments you may have' field is at the bottom.

## Today's Topics

- Who, What and When of Taxes
- The Progressive Tax System
- Reviewing Your 1040
- Refunds and Withholding
- Tax Preparers



4 Check Taxes

Checking the insulation can minimize a house's hidden heat loss, just as checking taxes can minimize dollars lost to overlooked deductions and credits

- Recognize the value in record keeping
- Identify the key components of a tax return
- Recognize the difference between total income and taxable income
- Recognize the difference between total tax and withholding
- Identify the various tax preparation methods and providers

KNOWLEDGE



### Path to Successful Reentry



### How is your record keeping?



### Record Keeping



You're buying a new car and want to trade in your old car.

Can you locate the title?

## Record Keeping



The big-screen TV you bought last month isn't working.

Do you have the receipt and warrantee?

## Record Keeping



Someone broke into your apartment while you were at work.

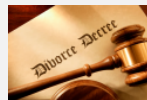
Do you have a list and pictures of the household items that were stolen?

## What to Keep

FINANCIAL



LEGAL



VITAL



PROPERTY



PERSONAL



## Where to Keep

ON OUR PERSON



FILE CABINET



HOME SAFE



SAFE DEPOSIT BOX



## Why

ALL INCLUSIVE



PROVIDES PROOF



SAVES MONEY



LESS STRESS



## Final Record Keeping Thought



Add a discard date!

Chat Box

What comes to mind when you hear the word taxes?




Who, What and When




To Tax or Not to Tax?

- |                    |                  |
|--------------------|------------------|
| Wages              | Cash gifts       |
| Stolen property    | Debt forgiven    |
| Child support      | Life insurance   |
| Cash assistance    | Hobbies          |
| Non-cash gifts     | SSI              |
| Unemployment       | Bribes           |
| Social Security    | Cash prizes      |
| Medical assistance | Military pension |
- 

To Tax or Not to Tax?

- 
- Wages
  - Hobbies
  - Military pension
  - Unemployment
  - Debt forgiven
  - Bribes
  - Stolen property
  - Cash prizes
  - Social Security**

To Tax or Not to Tax?

- 
- Child support
  - Cash assistance
  - Medical assistance
  - SSI
  - Life insurance
  - Cash gifts
  - Non-cash gifts





The more you earn, the higher the rate.

Progressive tax is:

There are income tax "brackets" with increasingly higher rates.

### Progressive Tax

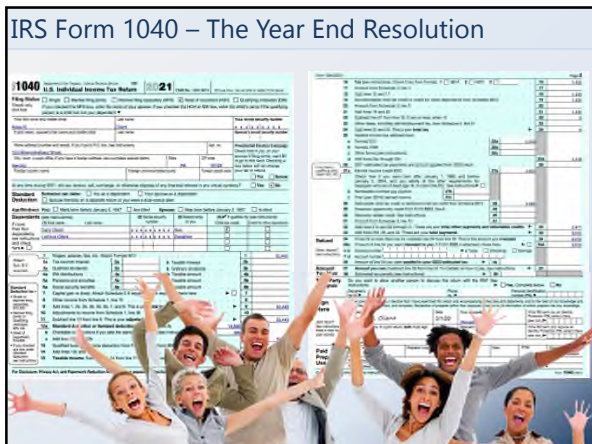
Income Bracket	Rate	Example Tax
\$0 - \$25,000	10%	
\$25,001 - \$50,000	15%	\$7,500
\$50,001 - \$100,000	25%	\$25,000
\$100,001 - \$150,000	30%	\$45,000

These tiers are for illustrative purposes only. Go to: IRS.gov for the current tiers.

### Progressive Tax - Example

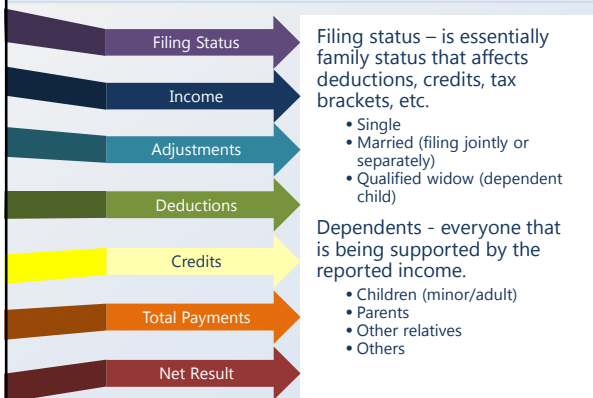
Income Bracket	Rate	Actual Tax	Estimated Tax
\$0 - \$25,000	10%	\$2,500	\$2,500
\$25,001 - \$50,000	15%	\$3,750	\$3,750
\$50,001 - \$100,000	25%	\$12,500	\$12,500
\$100,001 - \$150,000	30%	\$15,000	\$15,000
<b>Actual:</b>		<b>\$6,250</b>	<b>\$18,750</b>
<b>Effective rate:</b>		<b>12.5%</b>	<b>18.8%</b>
<b>Estimated:</b>		<b>\$7,500</b>	<b>\$25,000</b>

These tiers are for illustrative purposes only. Go to: IRS.gov for the current tiers.



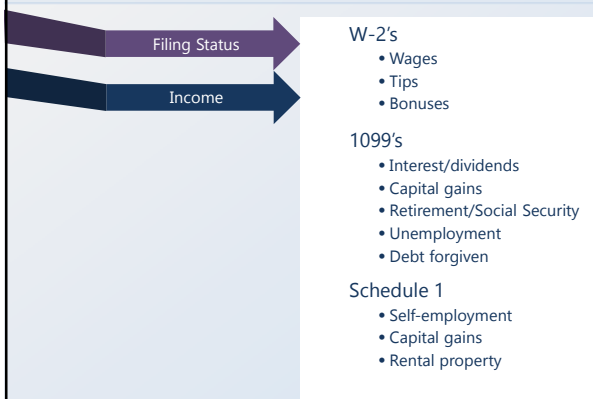
## Anna's Taxes

## The Process



## Anna's Filing Status

## Income



## Raise Hand



## Anna's Income

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	33,443
2a	Tax-exempt interest	2a	
2b	Qualified dividends	2b	
2c	IRA distributions	2c	
3a	Pensions and annuities	3a	
3b	Social security benefits	3b	
4	Capital gain or (loss). Attach Schedule D if required. If not required, check here	4	
5	Other income from Schedule 1, line 10	5	
6	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b>	6	33,443
7	Adjustments to income from Schedule 1, line 26	7	
8	Subtract line 7 from line 6. This is your <b>adjusted gross income</b>	8	33,443
9	Standard deduction or itemized deductions (from Schedule A)	9	19,800
10	Charitable contributions if you take the standard deduction (see instructions)	10	300
11	Add lines 10a and 10b	11	19,100
12	Qualified business income deduction from Form 8955 or Form 8955-A	12	
13	Add lines 12a and 13	13	19,100
14	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	14	14,343

## Side Bar: Schedule 1 – Additional Income

## Adjustments

Filing Status →

Income →

Adjustments →

Adjustments – are certain expenses that are encouraged and allowed to reduce income.

- IRA contributions (traditional)
- Tuition and student loan interest
- Teacher's out-of-pocket expenses
- Certain self-employment expenses
- Alimony paid
- Charitable deductions (\$300 maximum with standard deduction)

## Raise Hand



## Anna's Adjusted Gross Income

1	Wages, salaries, tips, etc. (Attach Form(s) W-2)	1	33,443
2a	Tax-exempt interest	2a	
2b	Taxable interest	2b	
3a	Qualified dividends	3a	
3b	Ordinary dividends	3b	
4a	IRA distributions	4a	
4b	Taxable amount	4b	
5a	Pensions and annuities	5a	
5b	Taxable amount	5b	
6a	Social security benefits	6a	
6b	Taxable amount	6b	
7	Capital gain or (loss). (Attach Schedule D if required. If not required, check here.)	7	
8	Other income from Schedule 1, line 10	8	
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b> .	9	33,443
10	Adjustments to income from Schedule 1, line 26	10	
11	Subtract line 10 from line 9. This is your <b>adjusted gross income</b> .	11	32,443
12a	Standard deduction or itemized deductions (from Schedule A)	12a	18,800
12b	Charitable contributions if you take the standard deduction (see instructions)	12b	300
13	Add lines 12a and 12b	13	19,100
14	Qualified business income deduction from Form 8995 or Form 8995-A	14	19,100
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	14,343

## Side Bar: Schedule 1 – Adjustments to Income

## Adjusted Gross Income

Filing Status →

Income →

Adjustments →

Adjusted Gross Income (AGI) – is used for certain tax calculations including deduction and credit limitations.

AGI = Total Income – Adjustments



### Deductions

Deductions – are more expenses allowed to reduce income. You may itemize (list and add) or use a standard amount if you don't have (or have enough) of these expenses.

For 2021, you may use the greater of:

**Itemized**

- Medical expenses (over 7.5% of AGI)
- Taxes paid (state/local income, real estate, etc. to a maximum of \$10,000)
- Interest paid (mortgage or investment loan)
- Gifts to charity (up to 60% of AGI)
- Casualty losses (only if from a federally declared disaster area)

**Standard**

- \$12,550 for Single or Married, filing separately
- \$25,100 for Married, filing jointly or Qualifying Widow(er)
- \$18,800 for Head of Household

### Raise Hand

Deductions

### Anna's Deductions

1	Wages, salaries, tips, etc. Attach Form(s) W-2		1	33,443
2a	Tax-exempt interest	2a	b Taxable interest	2b
3a	Qualified dividends	3a	b Ordinary dividends	3b
4a	IRA distributions	4a	b Taxable amount	4b
5a	Pensions and annuities	5a	b Taxable amount	5b
6a	Social security benefits	6a	b Taxable amount	6b
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here		7	
8	Other income from Schedule 1, line 10		8	
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b>		9	33,443
10	Adjustments to income from Schedule 1, line 26		10	
11	Subtract line 10 from line 9. This is your <b>adjusted gross income</b>		11	33,443
12a	Standard deduction or itemized deductions (from Schedule A)	12a	18,800	
b	Charitable contributions if you take the standard deduction (see instructions)	12b	300	
c	Add lines 12a and 12b	12c	19,100	
13	Qualified business income deduction from Form 8995 or Form 8995-A	13		
14	Add lines 12c and 13	14	19,100	
15	<b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0-	15	14,343	

### Taxable Income

Total Income

Less: Adjustments (AGI)

Less: Deductions

Taxable Income

### Anna's Taxable Income

1	Wages, salaries, tips, etc. Attach Form(s) W-2		1	33,443
2a	Tax-exempt interest	2a	b Taxable interest	2b
3a	Qualified dividends	3a	b Ordinary dividends	3b
4a	IRA distributions	4a	b Taxable amount	4b
5a	Pensions and annuities	5a	b Taxable amount	5b
6a	Social security benefits	6a	b Taxable amount	6b
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here		7	
8	Other income from Schedule 1, line 10		8	
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b>		9	33,443
10	Adjustments to income from Schedule 1, line 26		10	
11	Subtract line 10 from line 9. This is your <b>adjusted gross income</b>		11	33,443
12a	Standard deduction or itemized deductions (from Schedule A)	12a	18,800	
b	Charitable contributions if you take the standard deduction (see instructions)	12b	300	
c	Add lines 12a and 12b	12c	19,100	
13	Qualified business income deduction from Form 8995 or Form 8995-A	13		
14	Add lines 12c and 13	14	19,100	
15	<b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0-	15	14,343	

### Compare

Taxable Income ÷ Total Income x 100 =  
% of income actually subject to federal income tax!!

For Anna:

\$14,343 ÷ \$33,443 x 100 = 43%

## Tax by Filing Status (2021)

Rate	Single, and Married, filing separately	Married, filing jointly and Qualifying Widow(er)	Head of Household
10%	0 to \$ 9,995	0 to \$ 19,900	0 to \$ 14,200
12%	to \$ 40,525	to \$ 81,050	to \$ 54,200
22%	to \$ 86,375	to \$172,750	to \$ 86,350
24%	to \$164,925	to \$329,850	to \$164,900
32%	to \$209,425	to \$418,850	to \$209,400

There are two more tiers: 35% and 37%

## Raise Hand

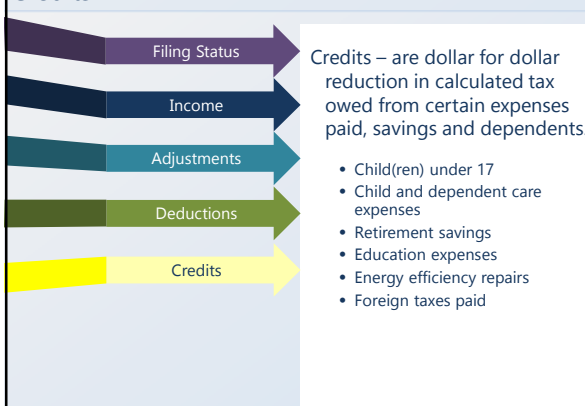


## Anna's Tax

## Anna's Tax

## Anna's Tax

## Credits



### Raise Hand

Credits

### Anna's Credits

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16	1,435
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	1,435
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19	1,435
20	Amount from Schedule 3, line 8	20	
21	Add lines 19 and 20	21	1,435
22	Subtract line 21 from line 16. If zero or less, enter -0-	22	0
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
24	Add lines 22 and 23. This is your total tax	24	0
25	Federal income tax withheld from:		
a	Form(s) W-2	25a	2,418
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	2,418
26	2021 estimated tax payments and amount applied from 2020 return	26	
27a	Earned income credit (EIC)	27a	3,052
Check here if you were born after January 1, 1996, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions <input type="checkbox"/>			
b	Nontaxable combat pay election	27b	
c	Prior year (2019) earned income	27c	
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28	2,565
29	American opportunity credit from Form 8863, line 6	29	
30	Recovery rebate credit. See instructions	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	5,617
33	Add lines 25d, 26, and 32. These are your total payments	33	8,035

### Wait, One More Chance to Tax!

**Other Taxes:**

- Self-employment (note: gig economy)
- Credit repayments
- Penalties for early withdrawal of retirement savings (10%) or not taking the required minimum distribution (50%)
- Alternative minimum tax

**Tax – Credits + Other Taxes = Total Tax or Net Tax Liability**

### Anna's Total Tax or Net Tax Liability

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16	1,435
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	1,435
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19	1,435
20	Amount from Schedule 3, line 8	20	
21	Add lines 19 and 20	21	1,435
22	Subtract line 21 from line 16. If zero or less, enter -0-	22	0
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
24	Add lines 22 and 23. This is your total tax	24	0
25	Federal income tax withheld from:		
a	Form(s) W-2	25a	2,418
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	2,418
26	2021 estimated tax payments and amount applied from 2020 return	26	
27a	Earned income credit (EIC)	27a	3,052
Check here if you were born after January 1, 1996, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions <input type="checkbox"/>			
b	Nontaxable combat pay election	27b	
c	Prior year (2019) earned income	27c	
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28	2,565
29	American opportunity credit from Form 8863, line 6	29	
30	Recovery rebate credit. See instructions	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	5,617
33	Add lines 25d, 26, and 32. These are your total payments	33	8,035

### Total Payments

**During the Year – pay as you go towards total tax liability.**

- Withholding from wages
- Estimated quarterly payments
- Prior year refund applied to current year

**Refundable Credits – that “act” like payments made during the year.**

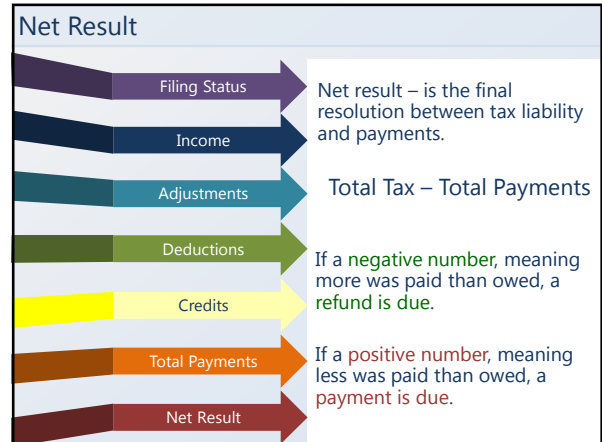
- Earned income tax credit
- Additional child tax credit
- American Opportunity (Hope) education credit

### Raise Hand

Refundable Credits

### Anna's Total Payments

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16	1,435
17	Amount from Schedule 2, line 3	17	1,435
18	Add lines 16 and 17	18	1,435
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19	1,435
20	Amount from Schedule 3, line 8	20	
21	Add lines 19 and 20	21	1,435
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	0
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
24	Add lines 22 and 23. This is your total tax	24	0
25	Federal income tax withheld from:		
a	Form(s) W-2	25a	2,418
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	2,418
26	2021 estimated tax payments and amount applied from 2020 return	26	
27a	Earned income credit (EIC) Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions <input type="checkbox"/>	27a	3,052
b	Non-taxable combat pay election	27b	
c	Prior year (2019) earned income	27c	
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28	2,565
29	American opportunity credit from Form 8863, line 8	29	
30	Recovery rebate credit. See instructions	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	5,617
33	Add lines 25d, 26, and 32. These are your total payments	33	8,035



### Anna's Net Result

24	Add lines 22 and 23. This is your total tax	24	0
25	Federal income tax withheld from:		
a	Form(s) W-2	25a	2,418
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	2,418
26	2021 estimated tax payments and amount applied from 2020 return	26	
27a	Earned income credit (EIC) Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions <input type="checkbox"/>	27a	3,052
b	Non-taxable combat pay election	27b	
c	Prior year (2019) earned income	27c	
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28	2,565
29	American opportunity credit from Form 8863, line 8	29	
30	Recovery rebate credit. See instructions	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits	32	5,617
33	Add lines 25d, 26, and 32. These are your total payments	33	8,035
34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	8,035

### Total Tax vs. Withholding

Refund	Payment Due
$\text{Net withholding}^* \div \text{Pay periods}$ \$\$\$ that could be back in each paycheck instead of waiting for filing at year end!	$\text{Payment due} \div \text{Pay periods}$ \$\$\$ that could be withheld from each paycheck instead of writing a check at filing!

\*Net withholding = Withholding - Total Tax

### Anna's Over Withholding

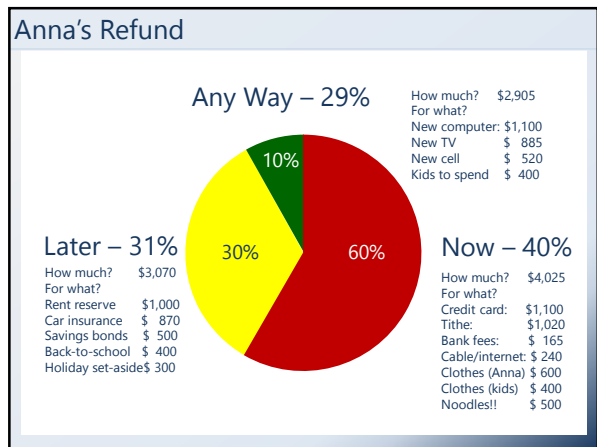
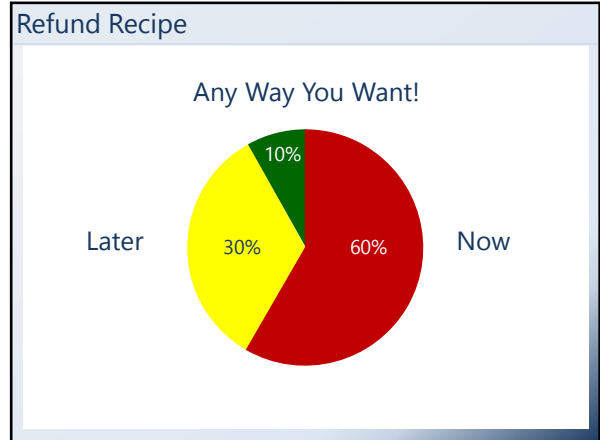
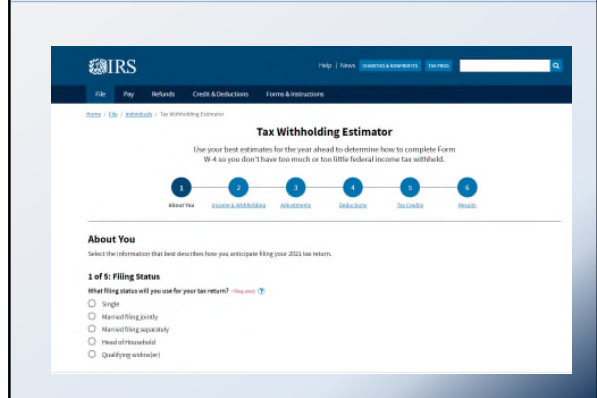
Refund	Refund
$\text{Net withholding}^* \div \text{Pay periods}$ \$\$\$ that could be back in each paycheck instead of waiting for filing at year end!	$\$2,418 - 0 \div 24 =$ \$101 extra in her paycheck

\*Net withholding = Withholding - Total Tax





<https://www.irs.gov/individuals/tax-withholding-estimator>



### Tax Preparers

- [www.irs.gov/freefile](http://www.irs.gov/freefile)
  - Free, online fillable forms and filing (federal only) for everyone
  - Free for those making less than \$72,000 through IRS-sponsored software programs
- For purchase
  - Commercial software,
  - Step-by-step
  - Inexpensive

### Tax Preparers

**Volunteer Income Tax Assistance (VITA) – free for:**

- People making \$57,000 or less
- People with disabilities
- Limited English-speaking taxpayers

**Free Tax Counseling for the Elderly (TCE) – free for those 60 and older**

<https://irs.treasury.gov/freetaxprep/>

\*VITA and TCE tax preparers are IRS trained volunteers.

### Tax Preparers

**Enrolled Agents**

- [www.naea.org](http://www.naea.org)
- Federally licensed tax professionals
- Can represent clients before IRS
- Cost vary with services

**Certified Public Accountants:**

- [www.picpa.org](http://www.picpa.org)
- Licensed by the state board of accountancy
- Can represent clients before IRS
- Expensive/varies with services

**Uncredentialed:**

- Must have PTIN#
- Continuing education for tax year
- Buyer beware



## Tax Preparers



### Franchises/chains

- Independently owned-operated
- Preparers trained through franchise tax courses
- Convenient locations, targeting struggling consumers
- Expensive cost/benefit
- Refund anticipation products

## Recap

- Who, What and When of Taxes
- The Progressive Tax System
- Reviewing Your 1040
- Refunds and Withholding
- Tax Preparers



- Establish a manageable record keeping system
- Identify credits and deductions overlooked or that may now apply to your situation
- Weigh the pros and cons of tax refunds and make adjustments to withholding if appropriate
- Select the appropriate tax preparer for your situation and avoid unnecessary fees

## Complete Today

Building Your Financial House  
Post-session Questionnaire

Circle the answer that you believe is correct.

- Which of the following items should be kept in your office?  
 A. Cash and investments  
 B. Social Security card  
 C. Driver's license  
 D. Proof of automobile insurance
- Which of the following is the safest place to keep your cash certificate?  
 A. Under a rug  
 B. In a safe  
 C. Locked in your dresser  
 D. In your car
- Which of the following is the federal income tax method used in the United States?  
 A. Flat  
 B. Proportional  
 C. Progressive  
 D. Regressive
- Which of the following is considered the basis for federal income tax filing status?  
 A. Family  
 B. Income  
 C. Expenses  
 D. Withholding
- True or False? Everyone is subject to income taxes.  
 A. Absolutism  
 B. Socialism  
 C. Capitalism  
 D. Nationalism
- Which of the following reduces the amount of federal tax owed?  
 A. Absolutism  
 B. Socialism  
 C. Capitalism  
 D. Nationalism

www.buildingyourfinancialhouse.org

Building Your Financial House  
Session Evaluation

How happy you have found today's session engaging and of value to you. Please share your opinions and comments so we may continue to improve the program. Thank you!

Name: \_\_\_\_\_

Location: \_\_\_\_\_

	Excellent	Good	Fair	Poor
Overall, how would you rate this session?				
Before the session started.				
After the session started.				
How knowledgeable was the speaker on the topic?				
Did the speaker use the time well?				
How would you rate the speaker's ability to explain the material?				
How would you rate the speaker's ability to answer questions?				
How would you rate the speaker's ability to relate to the audience?				
How would you rate the speaker's ability to interact with the audience?				
How would you rate the speaker's ability to relate to the audience's needs?				
How would you rate the speaker's ability to relate to the audience's concerns?				
How would you rate the speaker's ability to relate to the audience's expectations?				
How would you rate the speaker's ability to relate to the audience's needs and concerns?				

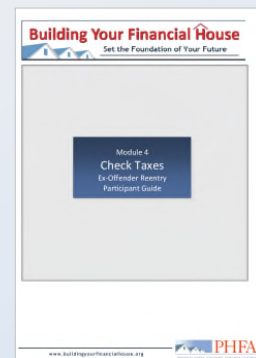
Additional comments:

www.buildingyourfinancialhouse.org

Email the Post-Session Questionnaire and the Session Evaluation to:

Now, it's  
your  
turn!

Note: For best results, view in Adobe Reader DC or Nuance.



# Homework

### Self-Assessment and Track Your Progress

**Comprehension:** You are on your way to Building Your Financial Future. Use this form to identify how much progress you have made on the program.

**Current Practice:** How often do you...  
 I keep personal and financial records.  
 I understand the difference between a debit and credit card.  
 I understand the difference between a debit and credit card.  
 I understand the difference between a debit and credit card.

**Future to Implement:** How often do you...  
 I keep personal and financial records.  
 I understand the difference between a debit and credit card.  
 I understand the difference between a debit and credit card.

**Worksheets:** How often do you...  
 I use the Budget Worksheet.  
 I use the Debt Worksheet.  
 I use the Savings Worksheet.

**Actions Taken:** How often do you...  
 I have identified the amount I need to save each month.  
 I have identified the amount I need to save each month.  
 I have identified the amount I need to save each month.

**Other:** How often do you...  
 I have identified the amount I need to save each month.  
 I have identified the amount I need to save each month.  
 I have identified the amount I need to save each month.

### Where Are Your Family Records?

Monitor yourself at each of the following situations and record your responses.

1. You find your credit cards while shopping. Do you have a list of your account numbers and the expiration dates for each card?  Yes  No  If yes, where?

2. The IRS is asking you for your tax returns from 3 years ago. Do you have those documents to support an audit of your return?  Yes  No  If yes, where?

3. You are buying a new car and need to trade in your current car. Can you locate the title for the car?  Yes  No  If yes, where?

4. Your 16-year-old son is working. It was just his first month's pay. Can you find the documents needed to make his first paycheck?  Yes  No  If yes, where?

5. Last night, there was a fire in your house. Do you have a list and pictures of household items, furniture, and equipment to make an insurance claim?  Yes  No  If yes, where?

6. There is a plane in the family. Do you know where to find the documents needed to make that arrangement?  Yes  No  If yes, where?

7. You are leaving your current place of employment and there is a question about your benefits. Do you know where to find your employment information?  Yes  No  If yes, where?

8. Your mother is asking about your checks, credit cards, other financial info. Do you know the location of your records and the procedure to report stolen identification?  Yes  No  If yes, where?

### Review Your 1040 (2020)

Income tax is a great receipt when we have to pay back on it. The IRS has many tools that will reduce the amount of money you need to pay back when we have to pay back. Use your 1040 to identify the tools you have used. Circle the amounts that you have used. Circle the amounts that you have not used.

Key Item	Where	Your Numbers
<b>Key Item:</b> Did you use the "Child Tax Credit" that affects the amount you have to pay back?	2021 - Top line 680	
<b>Dependents:</b> The number of dependents that are reported with your return other than you and your spouse.	2021 - Line 680	\$ 1
<b>Total Income:</b> Income reported on tax returns.	2021 - Line 109	\$ 1
<b>Adjusted Gross Income (AGI):</b> AGI is a number that is calculated.	2021 - Line 109	\$ 1
<b>Retirement:</b> Income from retirement accounts that are reported on a 1041 or 1099-R.	2021 - Line 7	
<b>Taxable Income:</b> This is the amount you will have to pay back on.	2021 - Line 104	

**"Compare Your Total Income to Your Withholding"**

Compare your Total Income to your Withholding. If you have more Total Income than Withholding, you will have to pay back. If you have more Withholding than Total Income, you will get a refund.

### Building Your Financial Future

Use this form to identify how much progress you have made on the program.

Key Item	Where	Your Numbers
<b>Key Item:</b> Did you use the "Child Tax Credit" that affects the amount you have to pay back?	2021 - Page 1, line 680	
<b>Dependents:</b> The number of dependents that are reported with your return other than you and your spouse.	2021 - Line 680	
<b>Total Income:</b> Income reported on tax returns.	2021 - Line 109	
<b>Adjusted Gross Income (AGI):</b> AGI is a number that is calculated.	2021 - Line 109	
<b>Retirement:</b> Income from retirement accounts that are reported on a 1041 or 1099-R.	2021 - Line 7	
<b>Taxable Income:</b> This is the amount you will have to pay back on.	2021 - Line 104	

**"Compare Your Total Income to Your Withholding"**

Compare your Total Income to your Withholding. If you have more Total Income than Withholding, you will have to pay back. If you have more Withholding than Total Income, you will get a refund.

### What Will You Do?

Write down the different situations when it comes to paying off debt. Circle the amount you will pay back. Circle the amount you will not pay back.

**DEBT:** How much do you owe?  None  A little  A lot  A lot more

**HOW TO PAY:** How often do you pay?  Monthly  Quarterly  Annually  Other

**HOW TO SAVE:** How often do you save?  Monthly  Quarterly  Annually  Other

**HOW TO INVEST:** How often do you invest?  Monthly  Quarterly  Annually  Other

**HOW TO BUDGET:** How often do you budget?  Monthly  Quarterly  Annually  Other

### Self-Assessment and Track Your Progress

**Comprehension:** You are on your way to Building Your Financial Future. Use this form to identify how much progress you have made on the program.

**Current Practice:** How often do you...  
 I keep personal and financial records.  
 I understand the difference between a debit and credit card.  
 I understand the difference between a debit and credit card.

**Future to Implement:** How often do you...  
 I keep personal and financial records.  
 I understand the difference between a debit and credit card.  
 I understand the difference between a debit and credit card.

**Worksheets:** How often do you...  
 I use the Budget Worksheet.  
 I use the Debt Worksheet.  
 I use the Savings Worksheet.

**Actions Taken:** How often do you...  
 I have identified the amount I need to save each month.  
 I have identified the amount I need to save each month.  
 I have identified the amount I need to save each month.

**Other:** How often do you...  
 I have identified the amount I need to save each month.  
 I have identified the amount I need to save each month.  
 I have identified the amount I need to save each month.

**PRIOR TO NEXT SESSION, email completed homework to:**



## Next Time: Make Money Work

### Pre-session Questionnaire

Circle the answer that best fits to each.

1. Which of the following is the key to wealth?  
 Education  Income  Savings  Investments

2. Which of the following is a characteristic of saving?  
 It is a long-term goal.  It is a short-term goal.  It is a goal that is not specific.  It is a goal that is not measurable.

3. Which of the following is a smart approach?  
 To save in a bank.  To save in a mutual fund.  To save in a stock market.  To save in a bond market.

4. Which of the following assets can be considered an RSP?  
 Stocks  Bonds  Real estate  Art collection

5. Which of the following is a smart investment strategy?  
 Capital preservation  Income  Growth  Dividend  Bond

6. Which of the following is a smart investment strategy?  
 Stocks  Bonds  Real estate  Art collection

**Email Spend Sensibly Pre-Session Questionnaire to:**

Questions?



Thank You!