

CAAB

**CAPITAL
AREA
ASSET
BUILDERS**

News You Can Use

CAAB's newsletter is designed to ensure that our IDA/MDA Savers are fully informed about relevant money management topics, effective savings strategies, financial education opportunities in the DC area, and upcoming CAAB events. Every month, we will feature a different article focusing on strategies or products that can help you plan for and achieve your savings goals.

How to Claim and Keep the Tax Refund You've Earned

by Colleen Dailey

Do you think of the Internal Revenue Service as your friend? It's more likely that the thought of filing your income tax return fills you with anxiety or dread. But would you be surprised to learn that each year, U.S. taxpayers fail to claim about \$2 billion dollars income tax refunds they've earned? Some taxpayers simply don't file a tax return, and others who do file make mistakes and don't claim all the money that they are owed.

Could you or someone you know be missing out on a valuable income tax refund that can help you cover critical expenses during these tough economic times? If so, you should know that free tax assistance is available for income-eligible workers at convenient locations throughout the DC metro area. You can avoid costly tax preparation fees and take advantage of fast, free electronic tax filing, from late January through April 15, 2009.

How can filing my taxes help me?

The tax code is filled with provisions that exclude certain types of income and activities from taxation, which basically means a bigger paycheck for you. For example, the Earned Income Tax Credit (EITC) rewards work by giving low-wage workers refunds based on their annual income and household size. More than

Why pay when you can file for free?

Fast. Accurate. Local. Trusted. And best of all... Save hundreds of dollars in preparation & filing fees.

* Hang on to your W-2's! Free tax sites open throughout DC as early as January 26

Find a free tax site near you at www.dceitc.org

46,000 DC workers claimed the credit in 2005, returning nearly \$120 million to their households—with an average refund of more than \$2,400! Yet one of every five or six people who qualifies for the EITC doesn't claim it—either because they don't know about it or don't file their tax returns—potentially losing out on thousands of dollars that they may be owed.

Even if you do not qualify for the EITC, you might still be eligible for a refund if you qualify for other credits or deductions, or because you had too much money taken out of your paychecks during the year. Many people who aren't required to file *should file* to get a refund. The only way to know for sure if you are one of these people is to complete your tax forms.

Where can I get free tax help?

The DC Earned Income Tax Credit (DC EITC) Campaign operates sites throughout the metro area that offer free tax preparation and e-filing services. Individuals with incomes below \$22,000 and households with total incomes

below \$42,000 can get free help completing and filing their tax forms at more than ten locations. Tax forms are prepared quickly and are filed electronically to ensure a quick turnaround time on refunds. Most tax sites are open from late January through April 15. A list of free tax site locations with hours of operation is available at www.dceitc.org or 1-877-SAVE-515.

What's the catch? How do you offer this great service for free?

The Campaign receives financial support from the District of Columbia government and several private foundations; operational support is provided by dozens of community partners and more than 600 volunteers who certified by the IRS annually to provide this service to the public. Our tax preparers are supervised by experienced tax professionals, and every return is reviewed for accuracy. If a taxpayer has a complicated return or a dispute with the IRS that needs to be resolved, we can connect them with other resources in the community. And, in addition to

CONGRATULATIONS!

The following savers made asset purchases in the month of December:

Home

Georgina Cabrera
Lashoun Christian
Fitsum Kebede
Sharonne Martin
Bernadette Morris
Gwendolyn Pointer
Christine Walker

Education

Telile Bayissa
Brittany Beatty
Dominique Beatty
Diane Carter
Suhey Dominguez
Nebiat Fekade
Sariane Leigh
Blondell Sykes

Small Business

Tracy Hines
Viviana Oxlag

providing free tax services, we also connect filers to other valuable services, like free financial education classes, one-on-one budget and credit counseling, and special savings products and programs.

If you or someone you know is interested in volunteering with the Campaign to provide this valuable public service, learn more and sign up today at <http://www.dceitc.org>.

What do I need to bring to the tax site?

It's important that you bring complete documentation to the tax site. This includes a Social Security card for yourself and anyone else who is listed as a taxpayer or dependent on your return; a list of birth dates for everyone listed on the return; all W2s and official taxpayer documents that you received in

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How to Claim and Keep the Tax Refund You've Earned (cont'd)

the mail; and any receipts or other records to verify charitable contributions or expenses that qualify you for tax credits or deductions. Additionally, bring your checkbook or your bank routing number and account numbers to ensure a fast and secure refund.

I usually file the first week of January so I can get my refund fast. Why should I wait?

If you have all of your income documents for 2008 and have a service that you trust, there is no disadvantage to filing your returns with them, other than the additional cost. But no matter

how you file your returns, be sure to steer clear of Refund Anticipation Loans, or RALs, which are a pricey and risky way to get money quickly. If the refund doesn't come through as expected, then the taxpayer must repay the difference, plus the hefty interest rate (last year these

rates ranged from 58% to 125%). Don't get caught in this trap! Filing your taxes electronically and using direct deposit can get your refund back to you within 7-10 days of filing—and you will also avoid extra check-cashing fees by direct depositing your refund.

UPCOMING EVENTS & ANNOUNCEMENTS



Immediate Placement at Carver Terrace Early Childhood Development Center

- Highly Qualified and Experienced Teaching Staff
- Nutritious meals at no cost to parent
- Nationally accredited year-round program
- DC Public School Curriculum

Childcare for children 6 weeks to 5 years old from 7:00 a.m. to 6:00 p.m. daily at 2229 M Street NE.

Call 202-388-7646 to secure your slot and ask about TANF and pre-kindergarten program.

ATTENTION WOMEN

BUILD YOURSELF A BETTER FUTURE IN 6 WEEKS!



Train for a high-paying job in the non-traditional trades: Construction, Carpentry, Mechanics, Electrician, Plumbing...and more!

What: Free job training with the Washington Area Women in the Trades

When: Next class starts January 26

Where: YWCA National Capital Area, 624 Ninth Street NW (Gallery Place Metro)

CALL JACKIE at 202-626-0700 ext. 39 to attend an orientation in January

Want to Lower Your Medicare Costs?

The D.C. Medicare Savings Program can save you more than \$1,500 dollars each year in Medicare premiums and even more on Prescription Drug costs. Applying to the program is easy and you can qualify if;

- ✓ You are eligible for Medicare
- ✓ You are a DC Resident
- ✓ Your income is below **\$2,620** a month if you are single or **\$3,520** a month if you are married

Note: There is no cost for this help. The money you have in savings is not counted for this program, and you can continue seeing your current doctors. **Call 202-739-0668** for more information or help with the application from the George Washington University Law School Health Counseling Project (HICP).



Branch Locations in Washington DC

Farragut West

1775 Pennsylvania Ave NW, 20006

Rhode Island

1060 Brentwood Rd NE, 20018

Farragut North

2101 L Street NW, 20036

Palisades

5250 McArthur Blvd NW, 20016

Georgetown North

1901 Wisconsin Ave NW, 20007

Friendship Heights

5001 Wisconsin Ave NW, 20016

Brookland

3800 12th Street NE, 20017

Metropolitan Square

1400 G Street NW, 20005

Columbia Heights

3241 14th Street NW, 20010

Adams Morgan

1749½ Columbia Rd NW, 20009

McPherson Square

1000 Vermont Ave NW, 20005

Capitol Hill

600 Pennsylvania Ave SE, 20003

Dupont Circle

1225 Connecticut Ave NW, 20036

East River Park

3917 Minnesota Ave NE, 20019

Brookland

3800 12th Street NE, 20017

Capital Area Asset Builders
1801 K Street NW
Suite M100
Washington, DC 20006
Phone: 202-419-1440
www.caab.org

