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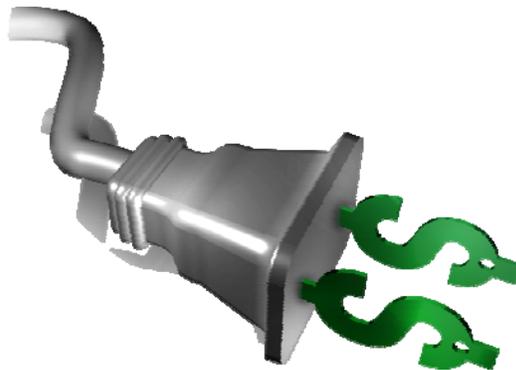


## New—CFPB Website

Check it out! The newly formed Consumer Financial Protection Bureau (CFPB) has launched a website. It's loaded with lots of great information, but they want to hear from you—about what matters to you. So check them out at [www.consumerfinance.gov](http://www.consumerfinance.gov) or [www.CFPB.gov](http://www.CFPB.gov).

## Use Free File

Consider using Free File to prepare your federal income taxes. If you made \$58,000 or less, you qualify to use Free File's brand-name tax software or online fillable forms to prepare your return and e-file it for free. Visit [www.irs.gov/freefile](http://www.irs.gov/freefile) to review your options.



## IRS2Go

IRS2Go is a new phone app that gives consumers with smartphones an easy way to check on the status of their tax refund or obtain helpful tax information.

## The Cost of Your Refund

If you will be getting a tax refund this year, you can save your government money by having your refund directly deposited into your bank account rather than having the IRS issue you a check. It costs the government about \$1 for each refund check they process. Each payment by direct deposit costs only about 10¢. The U.S. issues about 45 million paper checks. At a savings of 90¢ per refund, we could save the government \$40.5 million if we all switched to direct deposit. With the federal deficit at around 1.5 trillion, it is only a drop in the bucket, but every little bit helps. Do your part.



# California Income Tax Update

If you haven't visited the California Franchise Tax Board's website lately, now might be a good time. The site [ftb.ca.gov](http://ftb.ca.gov) offers many features that can make filing your taxes a whole lot easier. Here are a couple:

## CalFile

CalFile is California's free online filing program. You can enter your information to complete and e-file your state tax return directly to the Franchise Tax Board using this free and secure site. The site offers tips for filing and YouTube videos describing how to file. There are some conditions where you may not qualify to use CalFile (i.e., you are claiming a disaster loss). So check the site for all the details.

## ReadyReturn

ReadyReturn is a free service that uses the information from your last state return and your Form W-2 to pre-fill a California state tax return. If you qualify, your return may be ready and waiting for you. All you need to do is review your return, make any necessary changes, and file your return.

To qualify, you must have filed a 2009 California resident return with:

- Single or head of household filing status
- Income only from wages
- No more than five dependents
- No credits other than the renter's credit
- Standard deduction

In 2010, you must have had only one employer. Taxpayers who can be claimed as a dependent on another person's tax return qualify for ReadyReturn.

## Accessing Your Account

Taxpayers can access their records with the Franchise Tax Board by logging onto the FTB website and selecting *Access Your Account* from the upper right hand corner of the screen. To register the first time you will need the following:

- A valid email address
- Your Social Security number
- Your name as shown on your most recently filed state tax return
- Information from a CA tax return filed in the last 5 years.

You must have filed a California tax return in one of the last five years to register.

Once you are registered, you can view your account information, and update your address and phone number.

## Did you know?

From the [ftb.ca.gov](http://ftb.ca.gov) website you can click on **Check Your Refund Status** to see how soon you can expect your refund.

# Need Help with Your Tax Return?

## Federal Assistance

The Internal Revenue Service (IRS) has a wealth of information on their website [www.irs.gov](http://www.irs.gov). You can download forms, search specific topics, or e-file your federal return.

If you prefer to hear recorded tax information, try their Tele-Tax service by calling 1-800-829-4477.

You can get forms and publications mailed to you by calling 1-800-829-3676.

If you need procedural or tax law information you can call 1-800-829-1040 to speak to a representative.

The IRS also has local Taxpayer Assistance Centers where you can get walk-in assistance with your tax questions.

## Help with California Returns

If you have questions about filing your state income taxes you can get help three easy ways.

1. Visit their website at [ftb.ca.gov](http://ftb.ca.gov).
2. Call their automated toll-free phone service at 800-338-0505 to hear recorded information.
3. Call the FTB's toll-free phone service at 800-852-5711 weekdays from 7 a.m. to 5 p.m. to speak to a customer service representative.

# Is it Time to Complete a New W-4?

It's a good idea to review the number of exemptions you claim on your W-4 each year after you have completed your income tax return. You should complete a new W-4 and submit it to your employer if:

- You got a big refund last year
- You owed over \$100 last year when you filed your tax return
- You got married or divorced
- You had a child
- You can no longer claim a dependent that you claimed last year

This year it is more important than ever to review your exemptions since we all received a 2% pay raise when Congress passed the one-year reduction in Social Security taxes.

Completing form W-4 can be confusing, but don't give up. The IRS's Withholding Calculator can help. You can go directly to the 2011 Calculator at: <http://www.irs.gov/individuals/page/0,,id=14806,00.html>. Or you can google "IRS withholding calculator 2011."

# EITC 2010

The Earned Income Tax Credit (EITC) is worth as much as \$5,666 this year for taxpayers earning less than \$48,362. The EITC can be a big financial boost for working people hit by hard economics times. Many individuals may qualify for the credit for the first time.

Unlike other tax credits, both EITC eligibility and the amount of the credit is based on several factors such as the source and amount of your income or combined incomes if married, and whether you have qualifying children and how many. Workers without children also may qualify. See pages 5 & 6 for more information on the EITC.

You can use the online EITC Assistant at [www.irs.gov/eitc](http://www.irs.gov/eitc) to help determine eligibility and estimate the amount of the credit.

According to the IRS, rural and non-traditional families—such as grandparents raising grandchildren, childless workers, and non-English speaking taxpayers—are among those who most frequently overlook the credit. **HELP SPREAD THE WORD.**

## Change in Reimbursement for Over-the-counter Medicines

The Internal Revenue Service has issued new guidance on the use of health flexible spending arrangement (FSA) and health reimbursement arrangement (HRA) debit cards for the purchase of over-the-counter medicines and drugs.

Beginning in 2011, a prescription must be submitted for over-the-counter medications from the pharmacy, mail-order, or web-based vendor and proper records must be retained, in order to receive reimbursement.

The new requirement does not apply to insulin or to other health care expenses such as medical devices, eye glasses or contact lenses.

If you have questions about complying with the new regulation, contact your employer or visit the IRS website [www.IRS.gov](http://www.IRS.gov).



# The Earned Income Credit and the Child Tax Credit: You Could Owe Less in Taxes and Get Cash Back from the IRS!

- If you worked in 2010 — full-time or part-time — you may qualify.
- Even if you don't owe income tax you can get the credits.

## If You Had Children Living With You for More than Half of 2010:

- **For the EIC**, children must be under 19 in 2010. (Full-time students can be under 24; children who are permanently and totally disabled can be any age.)
- **For the CTC**, children must be under 17 in 2010.

## If You Did Not Have Children Living With You:

- You may claim **the EIC** if you were between ages 25 and 64 in 2010.

## How Much Can I Earn? How Large a Tax Credit Can I Get?

<b>For the EIC, if you have:</b>	<b>Earned income less than:</b>	<b>Claim an EIC up to:</b>
1 child	\$35,535	\$3,050
2 children	\$40,363	\$5,036
3 or more children	\$43,352	\$5,666
No children	\$13,460	\$457
<b>For the CTC, if you have:</b>	<b>Earned more than:</b>	<b>Claim a CTC up to:</b>
1 or more children	\$3,000	\$1,000 per child

*EIC income limits for married workers are \$5,000 higher!*

## What if I'm Not a U.S. Citizen?

**Immigrants who work and meet other guidelines may qualify.**

- **For the EIC:** worker, spouse and any child claimed needs a valid Social Security Number.
- **For the CTC:** either a Social Security Number or Individual Taxpayer Identification Number (ITIN) is needed.

## File a Federal Tax Return to Get the EIC and CTC: Get Free Help!!!

- VITA — Volunteer Income Tax Assistance — helps people fill out tax returns for free.
- Trained community groups operate VITA. **For a site near you, call 1-800-906-9887.**

## Also — Make Sure You Get Your Making Work Pay Credit — an extra \$400!

Many workers got the Making Work Pay Credit in 2010 in their paychecks. But if you were self-employed, or didn't earn enough to have income tax withheld, you can claim this credit on your tax return.

## If You Work, You Can Get These Tax Credits and Not Lose Other Public Benefits

EIC, CTC and Making Work Pay Credit refunds won't count as income when you apply for or renew benefits like food stamps (now called SNAP), SSI, Medicaid, cash assistance, or public housing. Some benefit programs may have a limit on how long you can keep your refund in a bank account.

# El Crédito por Ingreso del Trabajo y el Crédito al Impuesto por Hijos: ¿Usted Podría Deber Menos en Impuestos y Recibir Efectivo de Parte del IRS!

- Si trabajó en el 2010 — de tiempo completo o medio tiempo — puede cumplir con los requisitos.
- Aunque no deba impuesto sobre el ingreso puede obtener estos créditos.

## Si los Hijos Vivieron con Usted Durante Más de la Mitad del 2010:

- **Para el EIC (Crédito por Ingreso del Trabajo)**, los hijos deben haber sido menores de 19 años en el 2010 (los estudiantes de tiempo completo pueden ser menores de 24 años; los hijos que son discapacitados permanente y totalmente pueden ser de cualquier edad).
- **Para el CTC (Crédito al Impuesto por Hijos)**, los hijos deben haber sido menores de 17 años en el 2010.

## Si los Hijos No Vivieron con Usted:

- Puede obtener el **EIC** si tuvo entre 25 y 64 años de edad en el 2010.

## ¿Cuánto Puedo Obtener? ¿Qué Valor Tendrá el Crédito que Puedo Obtener?

Para el EIC, si tiene:	Ingreso menor a:	Obtenga un EIC de hasta:
1 hijo	\$35,535	\$3,050
2 hijos	\$40,363	\$5,036
3 o más hijos	\$43,352	\$5,666
No tiene hijos	\$13,460	\$457
Para el CTC, si tiene:	Ganó más de:	Obtenga un CTC de hasta:
1 o más hijos	\$3,000	\$1,000 por hijo

*Los límites de ingresos EIC para trabajadores casados son \$5,000 más elevados!*

## ¿Y Si No Soy Ciudadano de los Estados Unidos?

**Los inmigrantes que trabajan y cumplen con otras pautas pueden cumplir con los requisitos.**

- **Para el EIC:** el trabajador, su cónyuge y cualquier hijo declarado necesita tener un Número de Seguro Social válido.
- **Para el CTC:** necesita tener un Número de Seguro Social o un Número de Identificación Personal del(la) Contribuyente (ITIN, por sus siglas en inglés).

## Presente una Declaración de Impuestos Federal para Obtener el EIC y el CTC:

### ¡¡¡Reciba Ayuda Gratuita!!!

- VITA — Asistencia Voluntaria para Impuestos sobre el Ingreso (Volunteer Income Tax Assistance) — ayuda gratuitamente a las personas a llenar sus declaraciones.
- VITA es dirigida por grupos comunitarios capacitados. **Para una ubicación cerca de usted, llame al 1-800-906-9887.**

## ¡ También — Aproveche su Oportunidad de Recibir el Crédito Hacer Que el Trabajo Pague (Making Work Pay Credit) — Hasta Más de \$400!

Muchos trabajadores recibieron el crédito **Hacer Que el Trabajo Pague** en sus cheques de salario en el 2010. Pero si trabajo por su cuenta o no gano suficiente para retener impuestos, puede reclamar este crédito en su declaración de impuestos.

## Si Trabaja, Puede Obtener Estos Créditos Sin Perder Otros Beneficios Públicos

Los reembolsos del EIC, del CTC y del Crédito **Hacer Que el Trabajo Pague** no cuentan como ingreso cuando solicita o renueva beneficios como estampillas de comida (ahora se llama SNAP), SSI, Medicaid, asistencia en efectivo o vivienda pública. Algunos programas de beneficios pueden tener un límite en cuanto a la cantidad de tiempo que puede mantener su reembolso en una cuenta bancaria.

# Tax Refunds Will No Longer Affect Eligibility for Public Benefit Programs

Low income individuals participating in public benefit programs no longer need to worry about whether their income tax refund will make them ineligible for benefits. New legislation passed in December 2010 says that any federal tax refund cannot be counted as income in determining eligibility, or effect the amount of benefits received, for any federally-funded public benefit program. This includes state and local programs that are only partially funded by federal dollars.

Tax refunds can include:

- Earned Income Tax Credit
- Child Tax Credit
- Income tax refund
- Other tax credits

The legislation also provides that refunds that are saved by the filer do not

count against the resource limits of any federally-funded public benefit program for 12 months after the refund is received.

It is hoped that these changes will be helpful in encouraging lower-income



workers to participate in asset-building programs and open savings accounts without fear of exceeding resource limits and jeopardizing their eligibility for public benefits.

Source: Owens, Shaunya, Center on Budget and Policy Priorities, 1-18-2011.

**National Consumer Protection Week** will take place **March 6-12, 2011**.

Toolkits and other materials can be found on the [NCPW.gov](http://NCPW.gov) site.

# Postal Rate Increase

The U.S. Postal Service will raise many of their rates beginning April 17, 2011. The table below highlights the changes. The cost of a first class stamp and the charge for express mail and priority mail will not change.

	TODAY	APRIL 17
First class stamp	44¢	44¢
Charge for additional	17¢	20¢
Postcards	28¢	29¢
Letter to Canada	75¢	80¢
Letter to Mexico	79¢	80¢
International letters	98¢	98¢

## National Financial Capability Challenge

March 7-April 8, 2011

The Challenge, an online exam designed to illustrate the relevance of financial topics to high school students, as well as to assess their learning, takes about 30 minutes. Educators can go to [challenge.treas.gov](http://challenge.treas.gov) to register their class for the exam.

## LifeSmarts—The Ultimate Consumer Challenge

April 30-May 3, 2011 - Los Angeles

LifeSmarts is an educational program organized by the National Consumers League. The competition for 9th—12th graders, tests their consumer knowledge in a fun way. The initial stages of the competition take place via the Internet. The top twelve scoring teams are

invited to participate in their state competition. This year the state champs will go on to the national competition in Los Angeles. To learn more about LifeSmarts visit their website at: [www.lifesmarts.org](http://www.lifesmarts.org)

Today's Consumer is written primarily for the staff of UC Cooperative Extension. It is now available online. Send comments and requests to me at: Cooperative Extension, University of California, Riverside, CA 92521; 951-827-5241.

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