

Tip Sheets for Employees



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The Road to April 15: Navigating Tax Time



We tend to focus a lot of energy on taxes during the weeks and months

before April 15, but planning early will lighten the load of last-minute preparations, and help you catch last minute mistakes. Tax planning shouldn't be confined to the month of April; it should be a year-long event.

Borrowing, spending and investment decisions you make throughout the year shape your tax bill well before your filing deadline. Last minute headaches, missed deductions, and possible tax penalties are all potential hazards at tax time.

Where to start?

• Resources such as the IRS website at <http://www.irs.gov> may be helpful in answering any specific tax questions you might have.

• Visit <http://www.irs.ustreas.gov/> to read the Digital Daily, the IRS' online newsletter, which offers daily tax advice and record-keeping tips.

• Look for free tax seminars and assistance offered through your local library or bookstore.

• Don't procrastinate - you may overlook potential sources of tax savings or make errors.

Receiving a refund?

Many people are planning for good news when it comes to tax time: a refund! But spending that refund money wisely can

be a challenge. If you are receiving a refund, consider the following:

• **Paying down debt.** Big balances on your credit lines and charge cards seriously affect your ability to build assets. If you have a high interest rate, paying down or paying off the card is a financially sound choice.

Quiz YOUR Tax Knowledge

1. If you receive an IRS notice that you owe money, you should:

- a) Pay it immediately, to save on penalties and interest.
- b) Check to be sure the notice is correct before sending in the money.
- c) Return to sender, marked "deceased."
- d) Move.

2. Which of the following is normally not deductible?

- a) The fair market value of old clothes given to a charity
- b) Job-hunting expenses
- c) Personal credit card interest
- d) Tax planning advice

Check the end of this Tip Sheet for the correct answer!

• **Save money for an emergency fund.**

Prepare a nest egg to fall back on in case of a sudden illness or emergency. If financial planning is important to you, it may be worth your while to consult with a financial planner to discuss strategies for saving taxes, maximizing your investments and making sure you cover as many contingencies as possible.

Taking Care of Yourself During Times of Stress

Along with all of your other responsibilities, taxes can add to your stress level. During times of increased stress, it is important to care for yourself and alleviate some of the stress on your mind and body.

How to Alleviate Stress

- Participate in physical activity
- Manage your time
- Take time for yourself
- Learn to set limits and say "no"
- Remember that drugs and alcohol lower your resistance and increase "out of control" feelings
- Learn how to unwind
- Eat balanced meals, limit fast food stops and sugar consumption
- Talk with someone - family, friends or professional, about how you're feeling.

****Remember: Too much stress can limit our ability to cope.****

If you are stressed about taxes, speaking with a counselor may help. We have Master's Level clinicians on hand to speak with you 24 hours a day, 7 days a week.



*1. b - Don't panic. Before you write any checks, make sure the notice is correct. Check with both your tax preparer and with the IRS.
2. c - Credit card interest and other consumer loans usually are not tax deductible*

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