



The Balance \$heet

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For the most part, this has been an unusual winter. While we haven't had any record breaking snowfalls we did experience the warmest December on record and we may still have cold temps to deal with until spring officially arrives. In the meantime, one easy way to lower utility bills is to switch to more energy efficient lighting.

With April 15 just around the corner, consumers need to be mindful of the tax scams that are out there. Today's smart phone technology allows for mobile banking but is it right for you? And lastly, annuities. What are they and should they be part of your investment/retirement toolkit? Happy reading!

Theresa Mayhew
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Ways to Stay Warm this Winter

By Theresa Mayhew
CCE Columbia & Greene Counties



We've been fairly lucky this winter. Outside of the usual lake effect snow areas – we've had a pretty good winter in terms of temperature and snowfall. Granted we had some colder weather in January and February (after a record setting warm December) and even though Punxsutawney Phil didn't see his shadow, who's to say that we will have an early spring. The calendar has it arriving on March 20 and we could very well still experience some wintry conditions into April.

There are many no and low-cost ways to stay warm and toasty in your home. If you haven't already done so, install a programmable thermostat. Keep in mind that for every degree you lower your thermostat for eight hours, you'll save approximately one percent of your energy bill. Close off unused rooms. Run ceiling fans clockwise to push warm, heated air down into the room.

Make sure windows and doors are tightly latched and that the caulking and weatherstripping around doors and windows is in good condition. Draft dodgers placed at the bottom of a door are another way to keep out the cold. Check to see that draperies or furniture are not blocking heat vents and keep fireplace dampers closed unless in use.

Keep curtains shut on blustery, overcast days (and at night) but open them to let the sun warm your rooms. Add an extra blanket or comforter to your bed. Dress in layers and, when it's really cold, wear a hat even when you're in your home.

Have a baking marathon when it's exceptionally cold. Don't use your oven to heat your home but take advantage of the extra heat an oven gives off when your baking session is complete. And don't forget to enjoy a cup of hot coffee, tea or chocolate when downing those freshly baked oatmeal raisin cookies!

IRS Scams are on the Rise

By Barbara Henza
CCE Cortland County



The Internal Revenue Service (IRS) recently released its list of the "Dirty Dozen" list of tax scams. Topping the list: phone scams, phishing and identity theft.

Phone scams are aggressive and threatening phone calls by someone pretending to be from the IRS. The caller may threaten the taxpayer with arrest, deportation, license revocation, or a lawsuit if the supposedly past due taxes are not paid imme-



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diately and provide a phone number to call to arrange payment. If there is an issue with a taxpayer's federal income taxes, the IRS will contact them by mail first, not by phone or email. The IRS also would not demand that a taxpayer pay taxes without giving them the opportunity to question or appeal the amount that they say is owed. Anyone getting one of these calls should write down the phone number given for them to call and hang up. Then file a complaint with either the Treasury Inspector General for Tax Administration at tigta.gov, 800-366-4484 or the FTC at ftc.gov/complaint, 877-ftc-help.

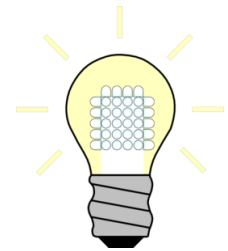
Scam artists are also using phishing emails that indicate they are from the IRS. The Internal Revenue Service does not contact taxpayers by email. It also will not discuss tax account matters in an email or request security related personal information such as pin numbers from taxpayers. Emails received that appear to come from the IRS that request sensitive personal information such as bank account numbers or pin numbers are usually fakes attempting to steal personal information. Send it to the trash without clicking on any links in the email.

Tax return identity theft is when someone uses another person's social security number to file a fake tax return and receive a refund. When the taxpayer tries to file their return they will receive a message that there is already a tax return filed using that social security number. IRS is working with software providers and state governments to stop this form of identity theft and is making progress but taxpayers still need to be extremely careful during tax season to avoid becoming a victim. Anyone who had this happen to them in previous years will have a letter containing an IP PIN sent to them by IRS that is needed to file any future returns.

If getting a phone call or an email from someone saying they are from the IRS makes you nervous, and the IRS does have that effect on most of us, go to www.irs.gov and click on tax scams to verify it is a scam.

Lighting Choices Can Save You Money

By Nancy Marie Reigelsperger
CCE Steuben County



It is estimated that the average household has between 30 and 50 lightbulbs. About 12% of the energy used in a typical American home is spent on lighting, therefore, making informed lighting choices can save you money.

Incandescent bulbs have been phased out, and CFL's (Compact Fluorescent Light) are a temporary solution to energy-efficient lighting. The newest choice in lighting is LED (light emitting diode). The LED is one of today's most energy-efficient and rapidly developing technologies. The benefits of the LED bulb are that they are long-lasting (some estimated to last 22 years), they are more durable, they tend to be cooler with less heat build-up, and they are mercury free.

The big benefit of LED bulbs is that they are very energy efficient, generally using less than 17 watts of energy. However, today when purchasing bulbs, instead of buying light bulbs based on the energy they use (watts), you'll now be shopping for bulbs by the amount of light they produce which is called lumens. A lumen is a measure of light output. The higher the number, the more light is emitted. For example, a 60 watt bulb would output approximately 800 lumen.

There is also a difference in light appearance. The package may indicate "daylight" which tends to be a cool (bluish) light appearance. If the package indicates "warm" the light appearance will tend to be yellowish output. This is a personal preference for where the bulb will be used in the home. Light color is measured on a temperature scale referred to as Kelvin (K). Lower Kelvin numbers mean the light appears yellow; higher Kelvin numbers mean the light is whiter or bluer.

Helpful Tax Preparation Assistance Programs

Tax preparation can sometimes be an overwhelming and confusing proposition. Fortunately there are usually many resources in one's community to help with this effort. Two excellent resources are delineated below:

Earned Income Tax Credit

The Earned Income Tax Credit (EITC) is a benefit for working people with low to moderate income. To qualify, you must meet certain requirements and file a tax return, even if you do not owe any tax or are not required to file. EITC reduces the amount of tax you owe and may give you a refund. For more information, visit <https://www.irs.gov/Credits-%26-Deductions/Individuals/Earned-Income-Tax-Credit>

Volunteer Income Tax Assistance (VITA) Program

VITA is an IRS program designed to help low and moderate-income taxpayers complete their annual tax returns at no cost. Started in 1971, the concept is to provide local taxpayers with free tax return preparation by volunteers that come from the local communities they serve.

VITA sites are generally located at community and neighborhood centers, libraries, schools, and other convenient locations. Clients are not charged fees for this service. VITA sites generally assist people who are eligible for [Earned Income Tax Credits](#) or other low income tax benefits. Taxpayers can find the nearest VITA location by calling 1-800-906-9887, by dialing 211, or by searching the IRS location database at irs.treasury.com/freetaxprep/.



LED bulbs are available in an assortment of sizes, shapes and outputs. They are available in screw-in bulbs, floodlight fixtures, tubes, accent and recessed lighting, night lights etc. LED are also excellent for holidays lighting, cutting energy costs and preventing hot bulb issues. If you are looking for a dimmable bulb, check the package to make sure the bulb has this feature.

Mobile Banking Services: Benefits and Precautions

by Maria DeLucia-Evans
CCE Albany County



Access to banking services has been largely improved by advances in technology. With the use of online banking we can sit comfortably in our homes accessing our accounts, paying bills, etc. And now, with a current rise in mobile banking our banking needs can (mostly) be met on the go.

Smart phones allow consumers to check account balances, pay bills, deposit checks, and transfer funds quickly and easily. This ease of access to our accounts enables consumers to be more in control of their finances. With a quick swipe/login we can instantly see account balances. We can even register for alerts from our banking institution, such as a low-balance alert. Apps are free from banking institutions and some banks and credit unions even allow you to monitor your spending through cash-tracking services. When you check in with your accounts on a more regular basis, you're also protecting yourself from identity theft. You can quickly see if there are irregularities in your account, allowing you additional safety checks.

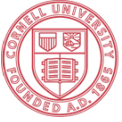
Mobile banking is secure, as well. Because there are such a large variety of platforms available to access banking information, it's much more difficult for hackers to gain entrance to our accounts through mobile apps. And if you lose your phone/device, password protection keeps personal information protected. Your device can also be remotely disabled, if necessary.

Remember though, for your phone to be secure you have to make it secure and keep it that way. Make sure the phone itself is password protected through a number code, or swipe pattern. Also make sure that all accounts are password protected. Keep your apps up to date. Go ahead and update them as notified: these updates often contain additional security measures or fixes.

Be aware of when you are making banking transactions. It's safest to do so only when you are using a private Wi-Fi connection. Your personal information is more susceptible to hackers when you are banking mobile or online at a public location such as a coffee house or bookstore.

Make sure mobile banking is the right method of banking for you. You are the only one who can decide the best way to manage your personal finances. Recognize your comfort level with mobile apps, and give yourself time to learn (perhaps) a new way to bank. Check with your bank/credit union to see if they have a mobile app available. With some basic precautions, you can benefit from the ease of on-the-go banking.

Sources consulted: www.bankrate.com; www.nasdaq.com; www.mcafee.com



Annuities — What They're all About

By Kenneth Earl McLaurin, Jr.
CCE Tompkins County

Annuities were originally created by life insurance companies to insure against superannuation, better known as outliving your money. The modern definition of an annuity is broad. Basically, it is a contract with an insurance company that requires it to make payments to you, either immediately, or at a specified time in the future.

Essentially, there are three type of annuities..

- **Fixed Annuities** – Lower Risk and there is a guarantee of principal and interest. Fixed annuities are designed to offer predictable streams of income, providing minimum rates of interest, but little opportunity for growth.
- **Indexed Annuities** – Medium Risk enables investors to participate in the markets without risking their principal.
- **Variable Annuities** – High Risk investors risk their principal while saving for retirement. Variable annuities, are tied to different types of investments, including stock mutual funds and similar investment vehicles.

Annuities can be structured to make set payments for your lifetime, with the insurance company taking on the risk of your living longer than your life expectancy in exchange for a potential profit if you die earlier than your life expectancy would predict. In addition, annuities get favorable treatment under the tax code. In particular, annuities give investors tax deferral, with any rise in the value of the annuity contract not being taxed until the owner starts taking money out of the annuity.

Costs of annuities can be higher than on other types of investments. You might have to pay surrender charges to cash in an annuity before a certain number of years passes, with tax penalties also potentially applying to annuity withdrawals before age 59-1/2. Furthermore, many annuities are structured so that after you die, your heirs receive nothing. One also risks losing every penny of their investment if an unforeseen accident or illness led to their death shortly after buying the annuity.

If you have a need for the insurance element that annuities can provide in ensuring a lifelong stream of income, then including annuities in an overall investment portfolio can be beneficial. As with any financial product, research it thoroughly to ensure it the investment for your needs.

