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Important Dates & Deadlines to Note

October 16, 2023

- Filing deadline for extended 2022 individual and C corporation tax returns

Annual Sexual Harassment Training Required by Illinois Law

Every employer in the State of Illinois is required to provide employees with sexual harassment prevention training that complies with section 2-109 of the Illinois Human Rights Act. All employees regardless of their status (i.e., short-term, part-time, or intern) must be trained.

There are lots of resources available, including this 20-minute video from the Illinois Department of Human Rights, below.

The training needs to be completed annually by December 31st.

<https://dhr.illinois.gov/media/videos/idhr-shp-training-employers-general-2023-english-mp4.html>

An IRS Notice Does Not Always Mean There was an Error

If you receive a notice from the IRS (or any of the state agencies), do not automatically assume it is correct and submit payment to make it go away. Here are some suggestions for how to handle a letter you may receive from the IRS or other taxing authority:

- ✓ **Stay calm.** Remember, the IRS sends out millions of notices each year. The vast majority of them correct simple oversights or common filing errors.
- ✓ **Open the envelope.** You would be surprised at how often clients are so stressed by receiving a letter from the IRS that they cannot bear to open the envelope. If you fall into this category try to remember that the first step in making the problem go away is to open the correspondence.
- ✓ **Get help.** Send us the notice to review.
- ✓ **Correct the IRS error.** Once the problem is understood, a clearly written response with copies of documentation will cure most of these IRS correspondence errors. Often the error is due to

the inability of the IRS computers to conduct a simple reporting match. Pointing the information out on your tax return might be all it takes to solve the problem.

- ✓ **Certified mail is best.** Any responses to the IRS should be sent via certified mail or other means with proof of delivery. This will provide evidence of your timely correspondence. Lost mail can lead to delays, penalties, and additional interest on your tax bill.
- ✓ **Don't assume it will go away.** Until a definitive confirmation that the problem has been resolved is received, assume the IRS still thinks you owe the money. If no correspondence confirming the correction is received, a written follow-up will be required.

Receiving a letter from the IRS is never fun. Please call if you have questions or need assistance.

5 Great Money Ideas

Here are 5 great money tips to help you get ahead or move into a better financial position.

1. **Make savings automatic.** Take steps to make your savings happen automatically. Setting up automatic transfers for a certain day of the month or payday can help you shore up regular savings before the money gets spent elsewhere. Fortunately, most banks make it easy to set up automatic transfers for a day that works for you.
2. **Pay down debt.** Data from the Federal Reserve shows the average interest rate on credit card accounts was 22.16% in May 2023. At that rate, paying down \$10,000 in debt with a monthly payment of \$200 would take 134 months and cost \$16,654 in interest alone. If you have high interest debt, consider paying it down as fast as you can.
3. **Upgrade your savings accounts.** While interest rates on loans and other debt are sky high, higher rates give you the chance to earn more on your savings. In fact, many of the best certificates of deposit (CDs) and high-yield savings accounts are offering yields of more than 5.00% right now with reasonable minimum balance requirements. But read the fine print - there may be hidden fees lurking at some banks.
4. **Boost retirement contributions.** Take advantage of time and compound interest right now by increasing your contributions to a 401(k), traditional IRA or a Roth IRA. In 2023 you can contribute up to \$22,500 in a 401(k) (\$30,000 if 50 or older), and up to \$6,500 in an IRA (\$7,500 if 50 or older).
5. **Create and use a monthly budget.** Finally, consider writing up a monthly budget or spending plan that ensures each dollar you earn is allocated to a specific goal or category. From there, track your spending throughout the month to see how your actual purchases and bills align with the plan you've created. Make tweaks to your budget accordingly and look for opportunities to cut spending in categories you have some control over, like dining and entertainment.

These great money tips can provide a financial boost to you and your family, regardless of the economy's ups and downs.

Protect Your Online Identity

Your identity and related information include the basics - where you live, your age, and your gender. But it also includes your interests, who you know, and what you buy. And while some companies are

on record saying they don't sell collected information, your data can still be used to help advertisers and third parties push targeted information in your direction.

Here's the life cycle of your personal data and what to do to protect it.

- ❖ **It gets collected.** Think about the organizations that legally collect information about your identity – your employer, government entities, insurance companies, banks, credit reporting agencies, and non-profit organizations. And then add those companies you give your identity to freely - like Google, Facebook, LinkedIn, X, and any other website or social media platform you visit.
- ❖ **It gets stored.** Once your identity gets collected, it then needs to be stored somewhere. Storage is most often on servers or locally on a computer or mobile device. This is one of the core concerns with Tik-Tok, a Chinese-originated short video service. The concern is that a foreign entity will have stored U.S. citizen's interests and behaviors that can help identify potential targets that can be manipulated.
- ❖ **It gets analyzed.** Once information related to your identity and interests are collected, it is analyzed. While many companies now say they don't sell your information to other companies, your data is still being monetized. Your viewing behavior can also be actively manipulated by the sites you view. So if you read articles about cats, you are going to get a lot more articles about cats and get ads that relate to cat-lover behavior. This is often so subtle; you do not realize it is happening
- ❖ **It gets accessed.** If your information is considered a public record, anybody can see it. Business licenses, property tax records and real estate ownership are just a few examples of personal information that anyone can access.
- ❖ **It gets stolen.** Identity thieves are always looking for ways to access your information. Thieves either hack one of the organizations that collects your confidential information or find a way to trick you into giving them your information, with techniques such as phishing emails.

What you can do:

- **Opt-out of providing personal information.** The best place to start with protecting your identity is knowing who has access to it and asking if they really need it. Consider opting out of providing information if possible. This includes using private browser settings when on the internet.
- **Be vigilant with the data you possess.** While you can't control how secure an insurance company's servers are, you can control how secure you handle the information and documents you possess. Be on the lookout for phishing emails, verify requests for your information and don't forget about getting rid of documents the old-fashioned way with a shredder.

Tips to Be Money Smart with Your Vehicle

The average new car payment surged to \$725 per month at the beginning of 2023, compared to an average of \$650 per month throughout all of 2022, according to Experian's State of the Automotive Finance Market Report for Quarter 2 of 2023.

While some of this spike is due to the increasing costs of new vehicles, today's higher monthly payments are also the result of higher interest rates that make every loan payment more expensive.

Consider these tips to help you steer clear of financial headaches and be money smart with your vehicle.

- **Don't finance a car for more than 60 months.** If the average car payment of \$725 per month comes as a surprise, consider that the average new car loan lasts 68.84 months, per Experian. To avoid overextending yourself, consider a limit of 60 months or less.
- **Get your credit score in the best possible shape.** Interest can make up a huge chunk of your monthly car payment. This is especially true for individuals with lower credit scores. Experian data shows that new car buyers with the best possible credit rating paid a rate of 5.18% for new vehicles during Q1 of 2023, whereas those with subprime credit paid 11.53% and buyers with deep subprime credit paid 14.08%.
- **Buy used.** According to Kelley Blue Book, the average new car depreciates by approximately 20% during its first year. Let someone else take this hit and instead invest in a used car that still has bumper-to-bumper warranty coverage.
- **Watch out for the hidden costs of buying a car.** Watch out for hidden fees when you shop around for auto financing, including auto loan origination fees. Auto dealers may also try to tack on additional fees to each sale, including documentation, advertising, and reconditioning fees.

Don't let the allure of new vehicles tempt you into signing up for a lifetime of exorbitant monthly car payments. Make sure your credit is in good shape, buy used, watch out for hidden fees and choose a repayment term that is manageable.

As always, should you have any questions or concerns regarding your tax situation please feel free to call.

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