

Unemployment Credit & Scams

If you received unemployment it's important to know that the additional \$600/week from the CARES Act, the \$300 / week from the \$900 billion relief package, and the additional \$300/week from the American Rescue Plan are taxable income.² However, due to the American Rescue Plan if your gross income was less than \$150,000 you are eligible for the tax break on the first \$10,200 received from unemployment.² For those who filed before this plan was passed the IRS is working on an automated reimbursement that will be announced in May.² Unemployment benefits are taxed by both the state and federal levels. This plan is only applicable for federal taxes.²

Unemployment Scam

During this time of job loss, many individuals have had to file for unemployment benefits. Unfortunately, there have also been scammers who have used another individual's personal information to file an unemployment claim and received the payments.¹ According to the Consumer Financial Protection Bureau, "If you receive a 1099-G tax form for unemployment benefits that you didn't apply for or receive, you may be a victim of identity theft."¹ The Consumer Financial Protection has outlined the following steps required to take action at the website below.

https://www.consumerfinance.gov/about-us/blog/unemployment-benefits-scams-how-to-protect-yourself/#utm_source=newsletter&utm_medium=email&utm_campaign=OCA



Healthy Money Habits May 2021 Newsletter



Tax season continues...

Tax season typically ends April 15th however it was extended and will end May 17th, 2021.³ If you have yet to complete your taxes be aware of this new deadline and allow yourself the time to file. This is a reminder that tax season this year can be your opportunity to claim any unclaimed stimulus payments. Below is a summary of the three Economic Income Payments (EIP) distributed and their requirements as provided by the Consumer Financial Protection Bureau.³

First Stimulus:

\$1,200 per individual with income of \$75,000 as a single & \$112,500 head of household.³

\$2,400 per married joint filers who make \$150,000
\$500 for dependents under 17.³

Second Stimulus:

\$600 per individual with income of \$75,000 as a single & \$112,500 head of household.³

\$1,200 per married joint filers who make \$150,000
\$600 for dependents under 17.³

Third Stimulus:

\$1,400 per individual with income of \$75,000-\$80,000 singles & \$112,500-\$120,000 head of household.³

\$2,800 per married joint filers who make \$150,000- \$160,000

\$1,400 for dependents under 19, college students & adults with disabilities.³

Be aware that the requirements of each round of the Economic Income Payments (EIP) were different for each. Some of these requirements were based on citizenship status, eligible social security number, and work authorization.³ Even though the first two stimulus payments limited and challenged payments for undocumented people, individuals in the criminal justice system, and those experiencing homelessness. The third stimulus expanded the eligibility requirements which may make you eligible for the previous payments through the Recovery Rebate Credit at tax time if not received previously.

What is the Healthy Money Habits Program all about?

Healthy Money Habits is a free program for Northern Nevada HOPES patients. Finances can affect your health by increasing your stress, which can make you vulnerable to illnesses.

We are here to help you reach financial wellness by providing financial education, coaching, and other services.

Let's work together to set and reach your financial goals. Remember that financial health is part of your overall health!



Disclaimer: We are not financial advisors or counselors. We do not offer credit/ debt advice, financial help in the form of money, tax preparation, or employment services.

SAVE THE DATE

May is:

National Credit Education Month

May 2nd: World Asthma Day

May 5th: Cinco de Mayo

May 6th: National Nurses Day

May 10th: World Lupus Day

May 12th: National Fibromyalgia Awareness Day

May 17th: World Banking Day

May 18th: National HIV Vaccine Awareness Day



Contact Us

Carina Suazo

Community Health Worker- HMH & RW

P: 775-997-7584

E: csuazo@nnhopes.org

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Dear Financial Coach

Q: How can I save on my medical expenses?

A: If your employer offers you the ability to have an FSA or HSA account this is a great way to save on medical expenses. An FSA account is a tax-exempt account. You can allocate a set amount of funds during your annual enrollment every year. These funds can be used to pay for medical and dental appointments, over-the-counter drugs, menstrual pads, prescriptions and so much more.

An HSA account functions similarly to an FSA account in that it can be used to cover medical and dental costs but it can also be claimed on your taxes annually. Although not all employer offers these accounts, you can always take the extra step to request your medical bill and review the charges. If there are any unnecessary charges found you can be eligible for a refund on these charges.

1. Malaiyandi, Sangeetha, "Unemployment Benefits Scams: How to Protect Yourself". Consumer Financial Protection Bureau. 7 April 2021. https://www.consumerfinance.gov/about-us/blog/unemployment-benefits-scams-how-to-protect-yourself/#utm_source=newsletter&utm_medium=email&utm_campaign=OCA
2. Tran, Christine, "Do I have to pay taxes on my unemployment Benefits?" EITC Outreach. Get It Back Campaign. 7 April 2021. <https://www.eitcoutreach.org/blog/do-i-have-to-pay-taxes-on-my-unemployment-benefits/>
3. Your Guide to Economic Impact Payments. Consumer Financial Protection Bureau. <https://www.consumerfinance.gov/coronavirus/managing-your-finances/guide-economic-impact-payments/#eligible>

