



PUTTING YOUR *Paycheck* TO WORK

FEDERAL RESERVE BANK OF KANSAS CITY

NEWSLETTER ARTICLE 2

EXPANDING YOUR PAYCHECK: BENEFITS AND SERVICES TO CONSIDER

Your paycheck is the most important tool for building a strong financial foundation. How you manage your paycheck can make a big difference both now and over your lifetime.

HERE ARE SOME TIPS ON HOW TO MAKE THE MOST OF YOUR PAYCHECK:

- Check with your employer about benefits offered, such as retirement programs, medical insurance, and tuition reimbursement. A benefit may make only a small difference in your net pay because of its effect on your tax withholdings.
- Contribute to an employer-sponsored retirement savings plan – especially if your employer offers to match part of your savings.
- Use direct deposit to receive your pay. This can reduce your cost of cashing checks, save you time and increase the safety of your pay. Your employer may be able to help you find a bank or credit union to open an account with if you do not have one.

- Consider using free tax preparation services. You are most likely eligible if you make less than \$56,000 per year. Free tax preparation sites are listed on the IRS's website at <http://irs.treasury.gov/freetaxprep>. You also may call 211.
- Identify federal, state and local benefits and services you may be eligible for by going to www.benefits.gov or calling 211. Depending on your family income and other factors, you may be eligible for tax preparation assistance, earned income credit, health care coverage and other services.

Contact your human resource department to learn more about how to make the most of your paycheck. Additional information is also available in the series "Putting Your Paycheck to Work" available online at <http://paycheck.kcfed.org>.

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