

Plan your 2008 taxes now

Most of us are wrapping up our 2007 tax returns and the last thing on our mind is planning our 2008 taxes. That could be a mistake.

"Help yourself and your tax accountant by keeping all of your tax related receipts and documents in one place," said Kevin Penn, CPA and tax advisor based in Cleveland. "Also, think ahead about how you can reduce your tax burden during the year through use of retirement plans, tax deductible contributions, etc. Ask your tax professional to help you lay out a plan for 2008."

Legal Aid Society

Social Security benefit no longer deducted from jobless' check

Unemployed Ohioans who receive Social Security retirement benefits no longer have their benefits subtracted from their unemployment compensation benefits. The practice stopped beginning with weekly claims filed for the week ending Nov. 17, 2007. The change is a result of legislation which was signed into law by Gov. Ted Strickland on Nov. 11.

Before this bill was enacted, unemployed Ohioans who worked while receiving Social Security benefits and who then lost their jobs were often surprised to learn that they would not receive the unemployment benefits to which they were otherwise entitled. Instead, their unemployment benefits were reduced by the amount of their Social Security benefits. In many cases, individuals found that they would not receive any unemployment benefits. Unemployment benefits are

estimated your itemized deductions for 2008. Will they increase or decrease for this tax year? Pencil in your total deductions on your Form 1040 and subtract it from your Adjusted Gross Income (AGI) to determine your Taxable Income.

Use the tax tables to determine your estimated tax. Subtract any applicable credits from your total tax. Using your pay stubs, estimate your withholding for the year and add quarterly tax payments. Subtract your payments from the total tax to determine the amount of your overpayment or tax due. This is your first pass estimate for your 2008 taxes. Is this where you want to be or are there opportunities to make some changes

paid by filing weekly claims. The effect of the law depends on whether an individual was already filing claims when the law changed, whether the person stopped filing weekly claims, or whether the person never applied for benefits. Here is how the new law treats each of these situations:

- If you were filing claims before Nov. 11, 2007. Claimants whose Social Security retirement benefits were being set off against their unemployment and who were current in filing weekly unemployment claims as of Nov. 11, found that their UC benefit check increased beginning with the weekly claim that they filed for the week ending Nov. 17.

Determine where you are
Make a copy of your 2007

lower total income. Some of the more common adjustments are:

- Health Savings Accounts.
- Qualified retirement plans and IRAs.
- Student loan interest.
- Alimony payments.

Taking advantage of many of the "adjustments to gross income" requires advance planning. The next area to look to lower your tax burden is in Schedule A, Itemized Deductions, which can reduce taxable income on a dollar-for-dollar basis.

- Medical and dental expenses - expenses must exceed 7.5 percent of AGI.
- Taxes you paid - State and local income taxes, real estate and personal property.

can be deducted at their fair market value.

- Miscellaneous Deductions must exceed 2 percent of AGI.

The final area to look at is the tax credit section. Tax credits are more valuable than deductions, since credits reduce taxes owed on a dollar-for-dollar basis. Some of the more commonly used tax credits are:

- Child and dependent care credit.
- Education Tax Credit.
- Residential Energy Credits.
- Child tax credit of up to \$1,000 for each qualifying child.

Many of the tax credits have income limitations and phase-out rules, and require additional

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because of the Social Security offset can now call their Unemployment Processing Center to see if they are able to reopen/reactivate their unemployment benefits and begin filing weekly claims again.

- The unemployment agency sent a notice titled "SSA Deduction Change Notice" to such individuals. This notice informs the claimant to contact their Processing Center if they are not currently filing claims. The notice contained the appropriate Processing Center's address and toll free telephone number.

If you never filed an unemployment claim. Unemployed individuals who never filed an application for unemployment benefits because they knew of the Social Security offset can now file an application for unemployment benefits to see if they now qualify for unemployment benefits. The individual

would also need to file weekly claims.

- To file an application for unemployment, you should

either call (877) 644-6562 or apply online at Unemployment.Ohio.gov.

Questions? Call *The Legal*

Aid Society of Cleveland (216) 687-1900 or visit *Legal Aid's free Saturday advice clinics.*

Call&Post to publish Financial Literacy Series

The United States faces a financial literacy crisis - with millions of young Americans lacking even the most basic money management skills. In response to this growing crisis, many of our nation's lawmakers, school boards and governing bodies are either in the process of considering or developing plans for basic financial literacy education requirements in our nation's schools.

"We want to educate our readers about credit and finance and how to get a loan," said Call&Post advertising executive and business marketing specialist James Wade III. "We're hoping for a great educational experience as they learn about credit unions and other financial institutions."

Call&Post will produce Financial Marketplace segment or section to identify various topics that will provide the community financial education. The issue, to be published on 30, will cover "Personal Finance," speaking to simple but important things like "Saving for a Rainy Day" and "Managing Your Credit" "Financial Planning."

Advancing financial literacy among our youth and adults is important to the Call&Post.

Being Ohio's largest Black newspaper, the Call&Post has grown deep roots in the community with a long-standing readership who can benefit from the knowledge. Each quarter the

To advertise or find more about this special issue contact Wade at (791-7600, ext. 262.