

# READY, SET, SAVE!

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## SPRING CLEANING FOR YOUR BUDGET! - A FEW TIPS TO GET YOU STARTED

We all have our own ideas about spring cleaning, and most do not even consider including a budget review in that process. Spring cleaning is not just for the house. Giving your budget a once over may provide an opportunity to see where you may be overspending, spending unwisely, or perhaps find ways to save more money.

### Where to Start, What to Do

- **Schedule a budget meeting with all involved** - If you are a dual income household, you can't be effective or hit those money goals if you don't include the other wage earner(s). This keeps everyone in check and on board with money decisions.
- **Look at your insurance policies** - Most of us have either renter's insurance or homeowner's insurance, and most likely car insurance. Frequently, we just let it roll over year after year and don't think about reviewing it. Check out your policies to ensure that you have adequate coverage and shop around to obtain quotes (compare apples to apples) to see if there is a better price out there for you (cha-ching savings!). Be proactive and review your policies every year.
- **Update your W-4** - Do you need to update your W-4? It may be a good time to look at your withholdings. If you are getting a large tax refund, you have been overpaying. Updating your W-4 could mean that you pay yourself instead of overpaying Uncle Sam. The extra money you keep could be used to pay down debt, invest in your retirement, or add to savings.



## SPRING CLEANING FOR YOUR BUDGET!

### Continued...

- **Review your goals** - Review your annual goals or create some. Look at your whole financial picture, are you on track? Be honest with yourself. Cut out pictures of what your goals are and keep them handy as a reminder of what you are working so hard to achieve. Keeping that visual will motivate you to stay on track (i.e. a remodel, vacation, or paying off debt).
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- **Consider direct deposit to automate saving** - Automate saving with direct deposits. If you are trying to save money, setting saving up on a direct deposit allows you to work on those goals without giving it a second thought.
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- **Sell off that stuff** - We all have things we really do not use or need anymore. Why not sell the stuff and use that money to help you work on those goals? It can go to savings, paying down debt, or use it for that mini vacation you have been wanting for so long. Try online groups like Facebook, Craigslist, or Poshmark. Whatever does not sell you can feel good by donating.



These simple tips remind you to set goals and keep heading in the right direction. Even if you are struggling, this list will help get a positive start on cleaning up your budget this spring!

(Don't have a budget yet? Create a free EveryDollar budget in less than 10 minutes.)

## DO YOU OWE TAXES ON DEBT SETTLEMENT?

### WHAT IS CANCELED DEBT?

When you incur a debt and the obligation goes away in full or in part without your paying it off, your debt is said to be "canceled." This means you have no legal obligation to repay it. Your balance has been zeroed out. The person or organization you owed takes a loss, and you gain a benefit.

Debt cancellation can happen when a creditor stops trying to collect what's owed. This may take place through debt settlement, bankruptcy discharge, student loan write-down, foreclosure or other debt forgiveness.

The IRS is very interested in canceled debt.

- Money that you owe but don't pay is like cash in your wallet that you can spend, save or use to pay off other debt – just like funds that you earn from your job or business.
- Money that you earn from your job or business is generally taxable.
- Therefore, the IRS expects you to also pay taxes on forgiven debt.

There are many IRS exceptions for taxing canceled debt, like debt forgiven as part of an inheritance or gift, farm loan, or real estate business deal. But the ones that apply to most people with personal debt problems are the bankruptcy discharge exception and the insolvency exception.

## DO YOU OWE TAXES ON DEBT SETTLEMENT?

### *Continued...*

- **Bankruptcy Exception** - Debt canceled in a Title 11 bankruptcy case is not included in your income. Title 11 includes Chapter 7, Chapter 11 and Chapter 13 bankruptcy. To qualify, you must be a debtor under the court's jurisdiction, and the debt cancellation must be approved by the court or part of a court-approved plan.
- **Insolvency Exception** - You don't have to count a canceled debt as income if you were insolvent/in debt immediately before the cancellation. You are considered insolvent if your total liabilities exceed the fair market value of all your assets immediately before the cancellation. For determining insolvency, your assets include everything you own, like real estate, investments, retirement accounts, savings, cars and personal property.

If you have a home, car, bank balances and personal items worth \$300,000, for example, and your total debts including a mortgage, auto loans, student loans and credit card balances add up to \$320,000 before debt forgiveness, you are insolvent by \$20,000 and can claim an insolvency exception.

When you settle a debt, your creditor will probably send you a Form 1099-C, Cancellation of Debt, showing the amount canceled and date of cancellation. You are responsible for reporting the correct taxable amount of canceled debt as income on your tax return for the year in which the cancellation occurred.

If you get a 1099-C, it needs to be reported on your taxes. If you do not report it on your taxes, the IRS will cross reference the filing about two years later and send you a notice about the error. When comparing the cost of debt settlement to bankruptcy, taxes matter as much as fees. Debt settlement costs are not just what is paid to the creditor, but the fees to the debt settlement company and the tax implications. All of this needs to be taken into consideration when deciding how to handle your debt.

Best Debt Consolidation Loans



## ALERT: QR CODE ON AN UNEXPECTED PACKAGE?

An unexpected package from an unknown sender arrives in your name. You open it and find a note that says it's a gift, but it doesn't say who sent it. The note also says to scan a QR code to find out who sent it — or to get instructions on how to return it. Did someone really send you a gift? Or is it an attempt to steal your personal information?

If you know it really belongs to you, of course keep it. Just be aware that an unexpected package could be a new style of a phishing scam that could steal your personal information.

If you decide to scan the QR code it could take you to a phishing website that steals your personal information, including credit card numbers, usernames, or passwords.

If you are still concerned and want to take one more step at protecting yourself, get your free credit report at [AnnualCreditReport.com](https://AnnualCreditReport.com). Look for any sign that someone used your information, like accounts in your name that you do not recognize.

You should also review your credit card bills and bank statements to look for any transactions that you did not make. You could also take steps to protect your identity, like freezing your credit and putting a fraud alert on all three credit reports (Equifax, Experian, and TransUnion).

If you have been a victim of stolen identity, report it and get a personal recovery plan at [IdentityTheft.gov](https://IdentityTheft.gov).

Always remember to regularly update your computer software and your phone to get the latest security patches.

Lastly: The law says you can keep the gift.







## USAGE BASED CAR INSURANCE (UBI)

If you are a good driver, drive less miles than average and are comfortable sharing data, then UBI (usage based car insurance) may be a good choice. UBI is an option offered by some auto insurance companies that tracks you're driving and could result in cheaper car insurance—if your driving scores are acceptable.

Usage-based insurance programs generally measure speeding, acceleration and harsh braking, along with mileage and the time of day you drive. You get a driving score and often tips for improving your score. The better you drive, the better your auto insurance rates. Usage-based insurance can potentially reduce your car insurance bill.

### How Does UBI Work?

It collects vehicle “telematics” data that comes from cellular, GPS or other technology. These programs track certain driving behaviors such as speed, acceleration, hard braking, hard cornering, miles driven, time of day and phone usage while driving.

The technology used to track your car's telematics data depends on your car insurance company. Generally, driving data is collected either through an app on your phone, a “tag” installed on your windshield or the already built in OnStar system.

In a typical UBI plan, your driving habits are tracked over a certain period of time. After you complete the initial review period, you may be offered a discount based on the data. Traditional auto insurance pricing factors are also generally built into your rate, such as your driving record, credit, vehicle type and location.

*Related: [Best Low Mileage Car Insurance](#)*

### Is UBI Worth It?

Usage-based insurance holds the promise of lowering your car insurance rates if you're a very good driver. But it doesn't work out that way for more than half of drivers who opt into telematics programs. According to the TransUnion survey, car insurance rates decreased for only 48% of those enrolled in these programs and stayed the same for 30%.

And here's where you really need to read the fine print. Some car insurance companies may raise your premiums if you don't score well during the review phase (although some states don't allow this).

According to the TransUnion survey, 18% of drivers had their auto insurance rates increase. And 4% said they didn't know if their rates were affected.

Yet most drivers who enrolled in a telematics program were satisfied with their choice, according to the survey. Nearly two-thirds (64%) were “very satisfied” or “extremely satisfied.” About a quarter (26%) of respondents said they were “neutral” about their telematics experience. About two-thirds (64%) of survey respondents said they are still using a telematics program. Many large [auto insurance companies](#) offer usage-based insurance, but it may not be available in every state.

### Before You Sign Up for UBI

Before you sign up, make sure you understand the program's rules. You'll want to know exactly what driving behaviors are being measured and how your driving might impact your rates. If your UBI program uses your phone to track driving behaviors, you need to know how the app works and if it tracks you as a passenger. With some programs you may have the ability to change driving information in the app if it incorrectly records a trip in which you were a passenger, not the driver. You don't want someone else's bad driving scored against you.

You also want to know the consequences of opting out of the program. With some programs, you'll need to complete a four- to six-month evaluation period, but you'll keep whatever discount you earn for as long as you insure your car with that company. On the other hand, with some programs, you'll lose the UBI-related discount if you decide to opt-out.



# SMART GROCERY SHOPPING:

## TIPS TO SAVE MORE AND SPEND LESS



Food prices are staying high, but you don't have to eat beans and rice to make grocery shopping affordable. You just need to be smarter about shopping and meal planning. Groceries are a necessity. The good news is you don't have to sacrifice quality or flavor to stay on budget without going broke.

- **Buy store brands** - Many store brand items are made by the same manufacturers as the name brands, so you're just paying extra for the fancy packaging.
- **Have a meal plan** - Planning meals ahead of time will help avoid impulse buys. Pair this with couponing or store loyalty program for additional savings.
- **Always eat before you shop** - Shopping on an empty stomach can impact your grocery bill if shopping in person or online.
- **Try online shopping** - If your grocery store offers it as a free service, shop online. You will save time and avoid those pricey convenience foods/snacks displayed at the checkout.
- **Buy in bulk** - If it makes sense, buy in bulk. Focus on purchasing non-perishable items like, rice, pasta, beans, canned goods, and spices in bulk. You can also save money buying meat in bulk and freezing it in portions for meal prep. (If freezing, label meat with the date purchased and keep it visual in your freezer so it does not get buried and forgotten.) Check warehouse clubs like Costco or Sam's Club for deals, but don't overlook smaller bulk-bin sections in your local grocery store. Sometimes they are cheaper, and you can buy exactly the amount you need.
- **Reduce waste by using up what you have** - Plan to clean out the fridge and use leftovers for stir-fries, soups or omelets. Invest in airtight containers and learn how to store produce properly to extend its shelf-life. If you are unable to use leftovers right away, freeze them for a later option.
- **Cook from scratch** - Even though you think you do not have time to cook, if you focus on easy meals it's not such a daunting task. Cooking is not only cheaper, it also lets you control the quality of ingredients in your meals. You can try making your own salad dressings, spice blends, and marinades. Make your own soup (using up those leftover vegetables in your fridge).
- **Skip pre-chopped, shrink wrapped veggies** - Do it yourself at home to save money and reduce plastics. Get the family involved and make it fun family together time event.
- **Shop seasonally and locally when you can** - Produce that is in season is cheaper than out-of-season fruits and vegetables. Check out your local farmers market when in season, you can find fantastic deals on fresh, local produce and learn what is in season. Visit the farmers' market late in the day to get the best deals (there may be fewer to choose from but sellers will offer extra discounts because they really don't want to lug it back home). Tip: buy in bulk when in season and freeze for the winter months meals. Shopping your farmers' market also supports local farmers and reduces your environmental impact.
- **Stick to a shopping list to avoid overspending** - Check your pantry before making a list so you can use what you already have on hand. Write out a detailed list or keep your list on your mobile device
- **Consider at least one meatless meal each week** - Going meatless can save a significant amount of money - and it does not have to be boring or tasteless (spice it up).
- **Take advantage of those discount stores** - Stores like Aldi are treasure troves for keeping on a budget. The discount stores often carry high-quality products for a fraction of the price you'd pay elsewhere. Check their weekly ads for special deals and stock up on pantry items when on sale.



# CREDIT CARD LATE PAYMENT VS. DELINQUENCY: THERE'S A DIFFERENCE

Contrary to what you might think, or have been led to believe, missing a credit card payment by a day or two is not considered a delinquency. But that doesn't mean a late payment won't have any negative consequences for you. Here are two issues you could face if your credit card payment is past due:

**Late payment fee.** Your card company may charge you for paying your bill after the due date. The average late fee for major credit card issuers is \$32, according to the Consumer Financial Protection Bureau.

**Penalty APR.** This adjustment to your annual percentage rate may apply if you fail to make a minimum payment by the due date or if your payment is returned. Penalty APRs can be as high as 29.99% and potentially remain in effect for several months or years, depending on the lender. The card issuer is required to review your account at least once every six months to determine whether it can lower your APR. If you realize you've missed your payment due date by only a day or two, don't worry, you may still be able to avoid some of the negative effects of late payment. Just give them a call.

## HOW TO PREVENT A LATE PAYMENT FROM BECOMING DELINQUENT

Call your lender right away and say, 'I'm so sorry. I just realized I missed my payment yesterday. I would really like to submit the payment right away.' If it's the first time you missed a payment, many card companies may forgive it. This means they may be willing to waive the late payment fee.

Keep in mind that you don't have to pay your balance in full – only the minimum payment. You may have to pay interest on the rest of your balance, but you won't be making a late payment. Contact your lender even if you don't have the funds to cover your minimum payment, they may be willing to work out a repayment plan. For example, they may allow you to pay half of the minimum payment now and the other half in a few weeks.



# PREPARING YOUR YARD FOR SPRING



## Driveways and Sidewalks

Rain, snow, wind, and road salt can make a mess for your yard/driveway. The mulch and dirt you swept into beds a few months ago now might be all over the place; start by tidying up. Sweep the sidewalks when dry—this will reduce your chance of slipping on wet leaves. Also, wash your concrete areas and even your garage floor to get rid of that damaging salt from the roads. While you are at it, spray that road salt from under your vehicles or run them through a car wash that has an under-spray option.

Rake leaves back into the beds; all leaves need is a day or two of sun to dry out entirely. This will make raking (or blowing) your leaves easy work. In the same manner, ensure the mulch is pulled away from the base of your trees and shrubs. While mulch is fantastic for your beds, when it's wet, it is also an easy way to spread viruses and fungus to your plants, so simply pull it away from the trunks.

## Work the soil

Now is a great time to put plants into the ground, if the ground is workable. So long as it isn't frozen, you'll find the ground is pliable and easy to dig into. Thinking about fruit trees? Roses?



Your local nursery will be happy to indulge you. Remember you want a hole three times the depth and width of the plastic pot the plant comes in, so get digging.

If you're not feeling as ambitious, this is the best time of year, believe it or not, to weed. The weeds are at a minimum right now, but what you see above ground will yield to tons more weed progeny come spring. Nipping the weeds you see now in the bud will mean a lot less work later on. Also, you'll find it easy to get the weeds out, given the softness of the ground from rain and snow. While it sounds miserable, sitting on the ground working your way around the beds weeding is a meditational afternoon that keeps you outside. Go get that fresh air!

## Clean your bird stations

Love bird watching? Take the feeders down and give them an actual scrub with bleach and rinse thoroughly. With bird flu in all 50 states, it's more important than ever to protect our birds as well as our pets.

## Visit your garden center

Take time to visit your local garden center. Wander around, ask questions about that garden project you've been putting off, and get great some plants to freshen up your yard.







*Strengthening families. Strengthening communities.*

**"Empowering and educating people to improve their financial, physical, social, career, and community well being."**



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## SCALLOPED CHEESY BROCCOLI CASSEROLE

### INGREDIENTS

- 16oz. frozen broccoli, chopped (thaw and drain before adding to dish)
- 1 can cream of chicken/mushroom soup (10oz.)
- 1 cup mayonnaise or miracle whip (can also use Greek yogurt/sour cream)
- ¼ cup melted butter (1/2 stick)
- 2 large eggs, slightly beaten
- If you like onion, add ½ medium yellow onion finely chopped
- ½ teaspoon salt
- ¼ teaspoon pepper
- 1 ½ cups cubed Velveeta cheese
- ½ sleeve Ritz crackers, crushed

### DIRECTIONS

1. Preheat oven to 350°F
2. Spray a 1 ½ qt. baking dish with cooking spray
3. Place thawed and drained broccoli into the dish
4. In a large bowl add the soup, mayo, butter, eggs, onion, salt, pepper, cheese and mix well
5. Pour over the broccoli evenly
6. Top with crushed Ritz crackers
7. Bake for 45 minutes or until golden brown on top

Note: You can add cooked rice, shredded chicken, thinly sliced smoked sausage, or any other items your family likes to make it a meal. **ENJOY!**



*From our home to yours...*

