

Consumer News & Views

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10 Year-End Tips to Help You with Your Income Tax. Earlier this year, NerdWallet surveyed Americans and found that the average adult gets a 50 percent, a failing grade, on personal finance questions related to income tax. Sure, the tax code is convoluted and April seems so far away, but consumers should seek out expert advice and learn as much as they can about tax basics and how financial products and decisions impact liability. With 2016 just around the corner, don't forget that there is still time to make some smart moves that will help you come tax time next year. Here are 10 simple year-end income tax tips to help you organize your finances and set yourself up for the New Year:



1. **Make 401(k) contributions by the end of the year.** Many people wonder what to do with their year-end bonuses or cash gifts from family. Using a portion of it to help max out retirement contributions for the year can be a great way to bolster investments or savings especially if you haven't been good at those regularly. For 2015, the limit was raised to \$18,000.
2. **Over the age of 50? Take advantage of catch-up contributions.** In addition to the \$18,000 401(k) maximum, any individual over age 50 by the end of the calendar year can make a \$6,000 catch-up contribution to their 401(k). Check out the IRS website for contribution amounts.

3. **Maxed out 401(k) contributions? Consider a traditional or a Roth IRA.** While the deadline for last year's contributions is technically April 15, make contributions to an IRA throughout the 2015 tax year and take advantage of the tax benefits:
 - o Federal-tax-free growth and tax-free withdrawals for Roth IRAs
 - o The ability to deduct contributions on income taxes now and pay the taxes upon qualified withdrawals in retirement with traditional IRAs.
 - o *Note: AGI limits apply for deductibility for both Roth and traditional IRAs.*
4. **Invest in a child's future.** Consider opening and/or investing in a 529 account, Coverdell or custodial account. Some 529s have tax benefits depending on the state of residence. And parents can take advantage of the American Opportunity College Credit if they are currently paying their child's college tuition. (Note: AGI limits apply). And a new account or contribution to an existing account, even a small one, can be a great gift alternative for young ones.
5. **Pay down high-interest debt.** Doing so can save money in the long run. The annual interest rates on some credit cards can be as high as 19 percent. If only the minimum amount is paid each month, a seemingly small purchase could take months to pay off and over time could cost significantly more in interest.
6. **Donate to charity and write it off.** 'Tis the season of giving back, after all.
7. **Adjust your W9 and pay yourself instead of Uncle Sam.** For 2014, the average tax refund was slightly more than \$3,000. Rather than loaning Uncle Sam that money, consider adjusting withholdings to invest the extra money throughout the year.
8. **Rebalance your portfolio;** take into consideration if anything has changed -- i.e. time horizon, objectives, risk tolerance, etc. Some investors will sell some winners and reallocate cash, others will take some losses for tax purposes. While these moves may or may not be right for you, and will certainly have tax consequences, consider the implications of the tax year on your portfolio.
9. **Save for a rainy day.** Use that bonus to get a head start on an emergency fund. Many financial commentators, advisors, and others in the personal finance world say it's a good idea to have six to nine months' worth of expenses set aside for unforeseen emergencies.
10. **Review all contributions and portfolio allocations** as well as beneficiary designations to help start off 2016 on the right financial foot.

Whether you take one of these steps or all of them, the most important thing you can do now is plan. Plenty of questions can accompany tax season, given the complex factors at work. Taking time to understand your financial situation, tax liability and any federal or state changes can help simplify the process and ensure you meet the April deadline. After all, it's not so far off.

A version of this article originally appeared on Fresh Accounts and the Huffington Post.

How a Fed Interest Rate Hike Could Hurt Your Credit Card Debt.

This article appears courtesy of Bloomberg News.

It's the anti-holiday gift: As consumers rack up credit card charges on presents, vacations, and dinners for the holidays, card issuers are poised to raise the annual percentage rate on their cards.

Card issuers are waiting to see if the Federal Reserve's policy-setting committee bumps up the federal funds rate this week, as many expect. If it does, the hike will flow through to many credit card holders as soon as they receive their next bill.

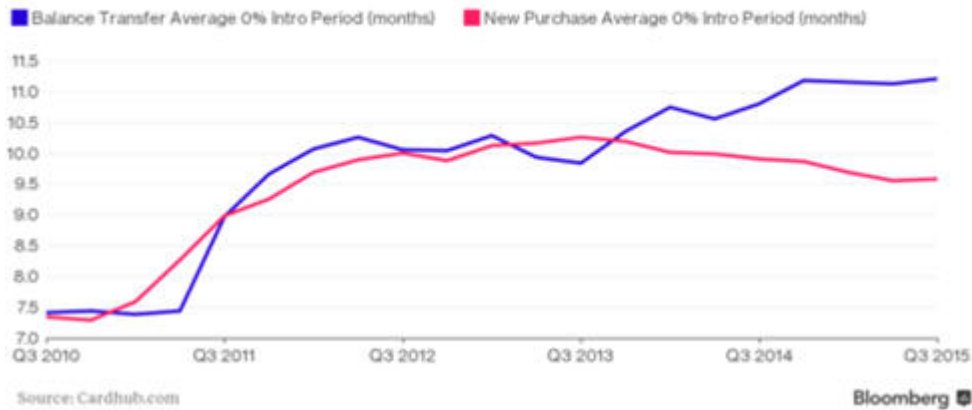
That's because the peg for most variable-rate consumer borrowing, whether credit cards, adjustable-rate mortgages, or home equity lines of credit, is the prime rate. And that rate moves with the federal funds rate. Prime is 3.25 percent today, and card issuers add a certain percent on top of it to set the annual percentage rate (APR).

A 0.25 percent increase in an APR is a nonissue for people who pay off balances. But for those who carry a balance month to month, it affects the entire balance, not just new purchases. If this is the start of a series of rate hikes, it could make paying off a big balance take longer—and cost more. The Consumer Financial Protection Bureau estimates in a recent report that a quarter-point rise in the federal funds rate would cost cardholders \$1 billion annually, and a full percentage-point hike almost \$6 billion.

The good news? In most cases, if you got a promotional rate on a balance transfer, that rate is fixed. So anyone who's taken advantage of such offers wouldn't see their transferred balance affected by rate increases until the promotional period ends.

Promotional Offers Abound—And They've Gotten Longer

Credit card issuers are battling for consumers who carry balances. One way they are doing it is through zero percent balance transfer offers.



If you're carrying a big balance on a card with a double-digit APR, there are still plenty of offers out there to transfer balances at a zero percentage rate, fixed, for a year or more. The average length for zero percent offers is a year, although Citi has a 21-month offer, said Brian Riley, principal at research and advisory firm CEB TowerGroup.

The length of offers could shrink, or the fees could climb, if there's a series of hikes in the federal funds rate. It will take more than a quarter-point rise to bring much change, though, said Odysseas Papadimitriou, chief executive officer of cardhub.com and wallethub.com. "I'd expect those zero percent fixed introductory rates to stay the same—unless the Fed goes aggressive and raises by 50 basis points," he said.

Consumers with strong credit records can always call their card's issuer to see if they qualify for a lower rate. Just be sure your credit is currently as good, or better, than it's been in the past. If issuers find your financial situation has deteriorated when they check your record, they can cut your credit limit, or decide they don't want you as a customer anymore. And that would not make for happy holidays.

11 Credit Card Benefits and Perks for Consumers. By [Melody Warnick](#)

When it comes to your credit card, "Read the fine print" is usually code for "Warning: you're about to get some very bad news."

But your card's terms and agreements aren't always out to get you. In fact, hidden in there is often a range of perks, from car rental collision insurance to return protection to concierge services, that can save you both time and cash.

Years ago, card issuers introduced such bonus perks to prove their value in the face of a hefty annual fee and to differentiate themselves in a sea of competitors. Over the years, the extra benefits stayed tacked onto cards but were mostly forgotten in the sea of fine print. But now, "financial institutions have decided to highlight these benefits more at certain times during the marketing cycle," rebranding or re-emphasizing existing features, says Chuck Christianson, group vice president of Connexions Loyalty, a division of Affinion Group.

For instance, in November 2012, Citi launched a marketing blitz to tout its Price Rewind feature, a price protection service, even though the benefit has been on millions of cards for 20 to 30 years. "These type of products are not yet in the mainstream," says Christianson. "Not everyone knows about them, but they're certainly more visible."



While credit card companies slowly aim to make card benefits more transparent and easily accessible, for now you may have to sift through your card agreement or request a list of benefits from your issuer before you know what you're entitled to. But if you ever need to take advantage of one of the perks, you'll consider it time well spent.

That's how it played out for Harry Campbell, a San Diego-based personal finance blogger at YourPFPro.com. A month after buying a new iPhone, he dropped it at a gas station, shattering its screen. Faced with ponying up \$200 for a replacement, he remembered reading something about damage coverage offered by his American Express Gold card. He called up, filed a quick claim with a third-party insurer contracted by American Express, sent in the broken phone and the receipt for his new one, and was quickly reimbursed in full. "AmEx is one of the best companies in offering perks and rewards," says Campbell. "It was actually a really simple process."

Now Campbell says he usually charges all his big purchases to his American Express card or a Visa Signature card with similar benefits, just in case. "I wouldn't sign up for a credit card based on any of those specific fringe benefits," he says. "The odds of [needing them] are pretty unlikely. But it's definitely a nice added benefit."

When you scour your own card's fine print, here are some perks to look for, how much they could save you and how to take advantage.

Perk 1: First crack at concert tickets.

- **How it works:** Don't have a prayer of scoring great seats at the Jason Mraz concert? Some card issuers offer presale or preferred seating tickets to hard-to-get-into concerts and sporting events; others offer super-cheap seats. When Citi rolled out its Private Pass feature, it sold select concert tickets to cardholders for \$5 a pop.
- **What it's worth:** While it may simply save you the stress of trying to nab tickets when they go on sale to the general public, a \$100 ticket through your credit card could save you a scalper's \$100 to \$200 markup.
- **What's in the fine print:** The deals come through a third party such as Ticketmaster, so you'll still have to pay their service fees. Plus, don't expect a discount, just a chance to buy tickets before your friends do.

Perk 2: Rental car insurance coverage.

- **How it works:** According to a 2007 survey, one-third of drivers spring for extra collision insurance when they rent a car, and 56 percent either don't think their credit card would cover it or don't know for sure. But most credit cards offer collision insurance for rentals, covering whatever your primary auto insurance won't.
- **What it's worth:** Prices vary, but a loss-damage waiver when you rent a car usually costs between \$10 and \$20 a day. Taking a pass on a one-week rental could save you up to \$140.
- **What's in the fine print:** You may not be covered for long-term rentals or rentals in some foreign countries, such as Israel or Ireland. Certain kinds of cars -- including trucks, campers and often SUVs -- are excluded. Plus, while your credit card may cover damage, you may be on your own for "loss-of-use" fees while the rental is out of commission.
- **See also:** Renting a car? Know whether your card adds insurance

Perk 3: Guaranteed returns.

- **How it works:** If you're feeling serious buyer's remorse but it's too late to return an item to the store, some cards will refund your purchase.

- **What it's worth:** Card issuers put their own dollar cap on the perk: Discover cardholders can get back up to \$500 per item; \$250 for Visa. With American Express, it's \$300 per item up to \$1,000 a year.
- **What's in the fine print:** No broken stuff. The item has to be in tiptop shape and you'll need the original packaging and receipt.

Perk 4: Extended warranty coverage.

- **How it works:** When you drop your new gadget three days after the manufacturer's warranty expired, your credit card will cover the cost of replacing or repairing it.
- **What it's worth:** Because spendy appliances and electronics -- refrigerators, laptops, big-screen TVs -- are usually covered, the savings can be big: up to a maximum of \$10,000 for repair or replacement for most card issuers.
- **What's in the fine print:** You'll need to fill out some extensive paperwork to provide proof that what you bought got destroyed. Plus, card issuers maintain a long list of products that aren't covered, everything from antiques and jewelry to DVDs and computer software. And don't expect instant turnaround. Even with cellphones and laptops, you'll likely have to wait a few weeks.

Perk 5: Cellphone replacement insurance.

- **How it works:** If your phone gets damaged or stolen, your credit card will buy you a new one.
- **What it's worth:** Up to \$250 for some cardholders; that's the amount that Citi will pay for your new phone. But you'll have to kick in a \$50 co-pay, so unless you're using a high-end phone, it may not be worth it.
- **What's in the fine print:** To be covered, you have to pay your monthly cellphone bill with your credit card and you'll have to file a police report or other paperwork to prove that your phone is gone. Plus, loss isn't included, so if you left it behind at the movie theater, you're out of luck.

Perk 6: Trip cancellation coverage.

- **How it works:** While only 15 percent of cards offer it, travel cancellation insurance reimburses you the cost of nonrefundable flights if an emergency or illness derails your travel plans. A handful of cards offer protection against travel delays, too.
- **What it's worth:** You can get back up to \$2,500 from Discover if illness forces you to cancel your trip and \$125 per day if your trip is delayed. American Express, meanwhile, gives you up to \$250 to cover your meals and hotel while you were stranded during a snowstorm, but you'll first have to pay a \$9.95 fee per person, per trip.
- **What's in the fine print:** Only a few reasons are considered just cause to cancel: the death of an immediate family member, a serious illness or an injury. You won't be covered if a pre-existing condition flares up or if your destination turns into a war zone. You'll also have to provide a doctor's note to prove your case.

Perk 7: Cash without an ATM.

- **How it works:** Discover's Cash-Over program lets cardholders essentially use their credit card as a debit card. You can add an additional \$40 (or whatever amount you choose) to your purchase, then pocket the difference in cash. It's not a cash advance, so there are no fees.
- **What it's worth:** While it's mostly a time-saver, you could avoid a few bucks in ATM fees.
- **What's in the fine print:** It feels like a debit card, but it's not. Your cash will still be subject to the same APR you're paying on other card purchases and the service is only available at certain stores.

Perk 8: Emergency travel assistance.

- **How it works:** If you get into a bind while out of the country, some credit cards will step into the fray, whether you need help finding an American doctor or replacing a stolen passport. Discover even offers 24-7 translation services in more than 60 different languages over the phone.
- **What it's worth:** An on-the-ground guide could run you \$75 an hour or more, depending on where you are, and Discover, for instance, promises to help you with things a local couldn't, such as political or medical evacuation.
- **What's in the fine print:** Some services, such as translation, are free, but this isn't insurance. You'll be charged for costs involved in, say, getting you a new passport or finding an international hospital.

Perk 9: A low price on a car.

- **How it works:** With American Express's car-buying program, you use an online interface to build your dream car, then get a target price based on what others have paid, plus a list of certified dealers -- before you even enter your

contact info.

- **What it's worth:** According to American Express, customers save an average of \$2,678 off the suggested retail price, without the stress of negotiating. Some used car dealers have even agreed to a money-back guarantee, which takes away the potential stress of getting a lemon.
- **What's in the fine print:** That special cardholder price doesn't include tax, title, licensing or processing fees, a loophole that dealers could use to jack up the price. And the number you have is a "target price," not a guaranteed price. The dealer you contact doesn't have to honor it.

Perk 10: Price protection.

- **How it works:** If you use your credit card to buy anything from a stereo to a sweater, then find the same thing for a lower price elsewhere within 30 to 60 days, your credit card will refund the difference. No more shopping anxiety!
- **What it's worth:** Your credit card sets the limit, but with Citi's Price Rewind feature, you can get back up to \$250 a pop, or \$1,000 a year.
- **What's in the fine print:** Most credit cards have a list of excluded items, such as cellphones, cars and refurbished items. With most cards you'll have to provide the ad proving that the exact item you bought is on sale for a lower price. (With Citi's cards, you can track purchases and monitor sales prices online.) Some cards exclude online sales, seasonal sales and close-outs, and eBay is out.

Perk 11: Roadside assistance.

- **How it works:** If your car breaks down, simply call your card's customer service line and it will arrange to send a tow truck your way. Jump-starts, tire changes and locksmith services are usually included too.
- **What it's worth:** Depending on what help you need, roadside assistance could save you \$50 to \$100 by charging you only a flat fee for the service call; with a Visa Signature, it's \$59.95, or \$69.95 with Discover. Others charge a pre-negotiated price for each service you use, which could save you more hassle than cash.
- **What's in the fine print:** With many cards, you're merely getting an over-the-phone tow truck referral, not any discount on services.

Read more: <http://www.creditcards.com/credit-card-news/11-hidden-credit-card-perks-1273.php#ixzz3uUyckk2N> And, compare credit cards here - [CreditCards.com](http://www.CreditCards.com)

ACC Annual Meeting Scheduled for June 10, 2016. The American Consumer Council will hold its annual membership and business meeting on Friday, June 10, 2016 at 10:00 am at The Lodge at Torrey Pines located in La Jolla, CA. The meeting is open to all members of ACC and there is no charge to attend the meeting. The business agenda for the meeting will be published in May 2016. For more information, please contact ACC's meeting department at 1-800-544-0414.



The Lodge at Torrey Pines, La Jolla, CA

ACC's Friend of the Consumer Award Recognizes Outstanding Businesses in 2015.

Is your business consumer-friendly? Does your business deserve greater recognition for its service to consumers? If so, you should apply for the American Consumer Council's Friend of the Consumer Award. Now is the time to apply!

Throughout the year, ACC presents its "Friend of the Consumer" Awards. This prestigious award recognizes manufacturers, retailers, and other businesses that produce or sell products in the United States that meet or exceed federally-mandated standards and are touted by consumers as "consumer friendly."

Each year, ACC awards numerous "Friend of the Consumer" Awards to deserving companies and organizations because they have "demonstrated a commitment to American consumers by providing a specific product or service that fosters consumer confidence and market acceptance."



To apply for the "Friend of the Consumer" award, complete the online application and return it to ACC with the application fee. Applicants will be notified within 5 days of receipt of their application. Thereafter, a panel of independent judges will review your application and make a formal recommendation within 20 days of receipt of your award application. For more information, visit: <http://www.americanconsumercouncil.org/awards.asp>

Green CSM Certification Accepting Applications for 2016 Spring Cycle:

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green CSM Certification**. Applications for the 2016 Spring cycle are now being accepted through April 1, 2015.

It's a proven fact that consumers want to do business with companies that are eco-friendly and practice Corporate Social Responsibility (CSR). The process is straight-forward and all applicants are recognized by ACC and the Green USA Institute.

All applicants complete the criteria and submit their responses to ACC's Green Consumer Council for review, assessment and feedback. Program details and the **Green CSM Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

