

CENTER FOR CONSUMER CREDIT COUNSELING

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September, 2004 Newsletter

Consumer Credit Gets a New Name

New name same great service.

Who: Consumer Credit Counseling of Greater Siouxland.

What: Name changed to Center for Consumer Credit Counseling

Why: Last summer Center for Siouxland restructured all programs so that they would be independent.

How will this affect you? This is a change in name only and will not impact the services provided to you. Everything will remain the same except you will see a new name — same address, same phone number, same counselors, etc.

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Important Dates

Thursday, September 23 12:30 —

Budgeting on a Shoestring —
Spencer Office

Tuesday, September 27 10:00 —

Credit When Credit Is Due — Sioux
City Office

Flexible Spending Accounts

Flexible spending accounts, offered by some employers, is a way to reduce your taxable income. Although each plan is different, all plans have the same basic characteristics. Before participating a plan, make sure that you understand how that plan works.

The Basics:

Flex spending accounts are most often used for medical expenses or child care expenses that you know that you are going to incur during the plan year. When the expenses take place, you pay for them, and then submit the receipt for reimbursement from your flexible spending account.

Once you have figured how much each year that you are going to spend, divide that number by the number of pay periods you have in a year. For example, if you want to set aside \$2,000 and you get paid every other week (24 times a year), \$83.34 will be deducted before taxes on each paycheck. The benefit to you is that it lowers your taxable income and these are expenses that you know you are going to have each year.

Another perk is that you can often use money from the account before you have paid in the full amount. For example, you have set aside \$2500 for medical (208.33/month) and have made two months of payments (balance \$416.66) and your child breaks their arm skateboarding. You can submit for reimbursement up to \$2500 even though you have not contributed that amount to the account. One thing to check into is what your employer does if you leave the company before you have paid in the total amount to the account.

What Expenses are Allowed?

You can be reimbursed for prescription co-pays, contact lens solution, orthodontia, acupuncture, prescription sunglasses, laser eye surgery, chiropractor bills, hearing aids, doctor-recommended weight-loss programs, flu shots and crutches. etc. Eligible expenses were expanded by the IRS in 2003 to include over-the-counter medications such as pain relievers, cold and allergy medications and antacids. This is not even close to the complete list so for more details see the IRS Publication 502 "Medical and Dental Expenses".

What's the Catch?

There is usually a catch and this is no different. The major drawback is the system's use-it-or-lose-it design. The IRS says any flexible account funds must be used to pay for treatments provided before the plan year's end or you lose the money. Since most companies operate on a calendar year when it comes to benefits, if you leave any money past Dec. 31, it's lost cash. If you incur the expense in December, there is usually a grace period in which to submit that receipt for reimbursement. Ask your Human Resources department for more details.

Phishing

No, it isn't a typing mistake but it is a mistake that you could make that could cost you a lot of money. Phishing is a high-tech scam that uses email messages to deceive you into giving scammers personal information.

Phishers send emails that look like they are from your credit card company or even your bank. The purpose of these emails is to get you to disclose personal information that they can use to access your bank accounts and credit card numbers. Often times they will ask you to enter your personal information (credit card numbers, social security number, passwords, or other personal information) into a website — remember that just about anyone can build a legitimate looking website. Don't fall for this scam.

"If you get an e-mail or pop-up message that asks for personal or financial information, do not reply or click on the link in the message," states a recent release from the FTC. "Even if you don't provide what they ask for, simply clicking the link could subject you to background installations of key logging software or viruses," warns the CitiBank Web site. If you have questions about an email that you receive call the company or financial institution before giving any information.

You can report phishing e-mails by forwarding them to the FTC at spam@uce.gov. If you believe you've been scammed, contact your bank immediately, then file your complaint at www.ftc.gov.

a Fake Email Sent by Phishers:

Subject: Your Checking Account at Citibank.



Dear Citibank customer,

We are letting you know, that you, as a Citibank checking account holder, must become acquainted with our new Terms & Conditions and agree to it.

Please, carefully read all the parts of our new Terms & Conditions and post your consent. Otherwise, we will have to suspend your Citibank checking account.

This measure is to prevent misunderstanding between us and our valued customers.

We are sorry for any inconvenience it may cause.

[Click here to access our Terms & Conditions page and not allow your Citibank checking account suspension.](#)

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Client # 6551 Client # 5996
Stop in for your free CCCS coffee mug!