

Your Family Finances

How To Put More Money In Your Pocket

(NAPSA)—National Payroll Week, September 2 to 6—or any time—is a good time to learn how to increase your paycheck's payoff and put more money in your pocket. Whether workforce veterans, students with a summer job, or just out of college, most people rely unquestioningly on the accuracy of their paycheck and its timely delivery on payday.

The American Payroll Association, the nation's leader in payroll training, suggests several tactics you might want to consider to boost the power of your paycheck. They include adjusting your withholding, participating in voluntary savings programs and retirement plans, taking advantage of flexible spending accounts, and considering charitable and other voluntary withholding options.

Effectively managing your paycheck and withholding can contribute to a healthy financial future.

Pad Your Own Pocket Instead of Uncle Sam's

You may be withholding too much for taxes. Income tax withholding is something you want to get as close as possible to what you will actually owe. Why? If you have too little taken out, you'll owe money when you file your return—no one likes to write out a



big check to Uncle Sam. If too much is withheld, you'll get a refund. That's not good either. What's wrong with getting a refund?

What's wrong is that you've given Uncle Sam free use of your money during the year when that money could be working for you. The point is for you to get the use and enjoyment of more of your money when you earn it, whether in increased purchasing power or investments, rather than making an unintentional interest-free loan to the government. A change in marital status or the number of your children may also warrant adjusting your withholding.

Flex Your Money Muscle

Thousands of companies offer employees the opportunity to participate in a voluntary benefit program known as a "flexible spending account." It allows employees the option of using

pre-tax payroll deductions for medical and child/dependent care expenses. When you participate in an FSA via payroll withholding, you reduce the amount of wages subject to federal income, Social Security, and Medicare taxes, thus increasing your take-home pay.

Your Nest Egg—Laying the Groundwork

You can cut your taxes and save for retirement all at once. That's what a 401(k) plan can do for you. Before you get the chance to spend your whole paycheck, contributions have already been taken out. It is a tax-deferred retirement plan and it is an easy and automatic way to save for retirement.

"Our paychecks are a powerful planning tool in charting our financial future," says Dan Maddux, Executive Director of the American Payroll Association. "We owe it to ourselves to make the best use of our hard-earned money through payroll withholding options. It's not hard and your Payroll Professional can answer any questions you have about your paycheck and withholding."

Information on the many ways you can boost the power of your paycheck is available free at www.nationalpayrollweek.com.