"In this world, nothing can be said to be certain, except death and taxes."

Ben Franklin made this comment in 1789, but it still holds weight today. Despite their certainty, taxes are still a source of headache for many. Here are some tips for filing your federal taxes and (hopefully) saving a little money in the process.

**HOW THEY WORK**
Your first question might be, how are my taxes calculated?
To understand how your taxes are calculated, here's the "tax math"

<table>
<thead>
<tr>
<th>All Sources of Income</th>
<th>Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>= Adjusted Gross Income</td>
<td></td>
</tr>
</tbody>
</table>

- Deductions (standard or Itemized) = Taxable Income
- Rates for each Tax Bracket

**FILLING OUT YOUR 1040 TAX RETURN**
To file your taxes, you need to fill out a 1040 tax return. The basic information you need to complete this return is:

- **Taxpayer information**
  (Personal information, dependents, filing status, etc)
- **Wages** (including interest and dividends; IRA, pension, etc.; net capital gains; other income)
- **Adjustments**
- **Deductions** (standard or itemized)
**HOW DO I REDUCE MY TAXABLE INCOME?**

No, we’re not telling you to try to make less money. Instead, look to your employer and take advantage of some programs that may be available to help reduce your taxable income by taking out money pre-tax. These can include:

- Employer health insurance
- Employer retirement plans
- Flexible spending accounts (for things like childcare and medical)
- Other pre-tax benefits (like transportation benefits)

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**TYPES OF INVESTMENT ACCOUNTS**

So you want to invest. Great! But what does that mean for your taxes? There are two types of investment accounts:

**Taxable**
(all activity shows up on tax returns)
- Individual or Joint Account
- Custodial Accounts (for minors)

**Tax Deferred**
(no activity shows up on tax returns)
- Retirement Plans (401k, 403b, 457, TSP)
- IRA (Traditional, Rollover, Roth)
- 529 (College Savings)
- Annuities (Retirement)
- Life Insurance (Death Benefit, Estate & Business)
- Health Savings Accounts

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**TAX CREDITS**

You may qualify for a tax credit, which can be used to offset your tax bill. Some common tax credits are:

- Child tax credit
- Child & dependent care tax credit
- Earned income tax credit
- Lifetime learning tax credit

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**FILING STATUS**

As you’re filling out your 1040, consider whether you’ll be filing single, married/joint or married/separate.