

Security Corner

Recognizing TAX SCAMS



It's tax season which, unfortunately, also means that it's tax scam season. While it's easy to get caught up in the frantic and frenzied practice of collecting, organizing, and filing your income and expense paperwork, it's important to remain vigilant when it comes to protecting your personal information and your tax return payments. There are several schemes run each year by scammers looking to make a quick buck at your expense. Be on the lookout for any of the following tax-related schemes:

Phony Social Media Posts Scammers have found success by posting inaccurate or misleading information on social media, encouraging people to submit their personal information to take advantage of "little-known" or "brand new" tax credits. A post like this is never real, and you should only provide your information directly to the IRS or to your trusted tax preparation professional.

Fraudulent Tax Preparers Be aware of fraudsters offering their services for preparing and filing returns. Trusted services and CPAs are great resources, but be sure you evaluate them thoroughly before hiring. Some scammers are looking to collect your information for their own purposes or to collect fees for incomplete or inaccurate work. Nefarious tax preparers may want to charge you a variable service fee based on the size of your return and may not be willing to sign their name to the 'tax preparer' line of your returns.

Phishing Scams (Emails, Texts, and Phone Calls) Phishing and Texting scams are a year-round threat, so it's always important to be wary of unsolicited communications that are offering services or asking for personal information. During tax time, you may see emails, texts, or robocalls impersonating the IRS. Remember to be skeptical of unsolicited messages and remember that the IRS does not initiate communications or send tax refunds via a phone call, social media post, email, or text.

If you have fallen victim to a tax scam, you can file a Form 14242 with the IRS, which is available at <https://www.irs.gov/dmaf/form/f14242>. Report Identity Theft and get a personal recovery plan at [IdentityTheft.gov](https://www.irs.gov/identitytheft)



Tax-Saving Strategies for 2025

Making a few key financial planning moves could result in a lower tax bill on your income and investments.

Increase Contributions to Retirement Accounts: If you are still working, consider starting or continue to make tax-advantaged contributions to your employer's 401(k) or 403(b) plan. The maximum contribution limits for 2025 have increased to \$23,500 and \$30,500 if age 50 or older. Since most retirement plan contributions are typically made with pre-tax dollars, you can effectively reduce your taxable income and reap the tax savings.¹

Contribute to an Individual Retirement Account (IRA): You still have until April 15th to make a tax-deductible contribution to a Traditional IRA for last year, up to \$7,000 per individual (\$8,000 if age 50 or older), subject to income limitations. You could also consider contributing to a Roth IRA. Although the contribution is not tax-deductible, the future earnings growth can be withdrawn completely tax-free, subject to income requirements and distribution rules.²



Joseph D. Murphy
Financial Advisor

Save for Education with a 529 Plan: While there is not a tax deduction for 529 contributions, your funds grow tax-deferred and withdrawals are tax-free if used for qualified educational expenses. Tuition, room and board, books and supplies are eligible expenses.³

Seek Professional Advice: The benefits of having an experienced tax professional and financial advisor on your side are numerous. Please consult with your own tax professional, attorney, or advisor before making any tax-related or financial decisions. *For more information, **please feel free to contact Financial Advisor Joseph Murphy at 508-865-8774.**

¹Bankrate.com ²Kiplinger.com ³Nerdwallet.com

Upcoming Holiday Closings

• **Memorial Day**
MONDAY, MAY 26TH

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