

TAX REFUND OPTIONS

Saturday, April 23, 2022 at 8:43 a.m.



and go on a vacation or do whatever you want with it.

ANCHOR ORMAN: Ok. If you are going to save it, would you just throw it in your bank account or would you consider any specific savings accounts that maybe are a smarter investment and get more return?

WHITE: Yeah, that's a tough one too because, you know, interest rates for the longest time have been close to zero and we are starting to see some increase. Quite frankly, I think if you waited three to six months, I think your bank money markets and your CD rates are all going to increase. So, the smart thing might be to put it in the bank, just sit tight for a little while and just see where these interest rates go. If you're thinking of a more longer-term type thing, I mean the markets are kind of volatile right now, so I don't know that now would be a good entry point for the stock market. So, I think the safest thing would be throw it in the bank, see where interest rates go and take it from there.

ANCHOR ORMAN: Ok. Maybe not permanently, so you're going to have to pay attention to it, but for the short-term.

WHITE: Yep.

ANCHOR ORMAN: Thinking ahead to next year, if you didn't get a return, you have to pay this year, should you make any changes?

WHITE: Well, the sweet spot is, I mean if you're doing it perfectly, you know, you

shouldn't get any refund and you shouldn't owe anything, that means you paid the right amount of taxes. When I see people getting really large refunds, I mean basically think about it, you're really just giving the government an interest free loan for 12 months. I mean, it's money you could have had in your paycheck. But because you had too much withheld, you know, you're giving it to the government and then once a year, and I know some people love that, they love getting a big refund check cause it's like "oh wow, look we're going to get some money," but that's not always a good thing either. The other flip side is if you're not having enough withheld, you could get hit with some penalties and interest. So, you don't want to owe a whole lot, you really don't want to get a whole lot back, you want to kind of be somewhere right in the middle.

ANCHOR ORMAN: Have any advice for finding that sweet spot?

WHITE: Well, I mean, when you're doing your return, you'll know if you're getting too big of a refund or, you know, that kind of thing. If you're getting back five, six, seven thousand dollars, you're probably paying the government too much. And think about it, if that was in your paycheck, you might even be able to withhold a little bit more to go into a retirement account because you wouldn't even miss it because your paycheck is going to be bigger as is.

ANCHOR ORMAN: Ok. Dan White, thanks for joining us this morning, good advice.

WHITE: Have a great afternoon.

Based in Glen Mills, PA, Daniel A. White and Associates has helped hundreds of families secure their retirements and enjoy their golden years worry-free.

Call 888-690-8820 to set up a free consultation.

