



5 SMART WAYS TO SPEND YOUR TAX REFUND

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HOST CHARLOTTE AMES: Welcome back. Well last week I had the opportunity to speak with Galen Bargerstock about smart ways to spend our tax refunds. Take a look.

HOST: Tax filing season is in full swing and according to a recent survey by Credit Karma Tax, 62 percent of Americans expect to receive a tax refund this year. So, what should we be doing with our refund money? Galen Bargerstock of Government & Civil Employee Services is back with some ideas. Hi, Galen.

GALEN BARGERSTOCK, GOVERNMENT & CIVIL EMPLOYEE SERVICES: Hi. Thanks for having me.

HOST: Now, before we get to what we should do with the money, how much is the average tax refund in Pennsylvania?

BARGERSTOCK: I would say anywhere between \$2,800 and \$5,000 would be an average that a household might see.

HOST: That sounds like a nice amount.

BARGERSTOCK: It is. I mean most financial experts, including myself, are going to tell you that it's probably better to file your taxes correctly and not get back a large refund. That way you can really sink it into your pension throughout the year and have better benefits.

HOST: Now you have some smart ideas on how we can use tax refunds, if we get one. So, what would you go with first?

BARGERSTOCK: I do. Like you said, 62 percent of Americans or Pennsylvanians

are going to be getting that refund. So, life insurance is going to be one of my tips. Life insurance is the best, fastest way that you can provide something for your family if a "what if" happens to you. When you're planning your retirement, you have to plan that you will pass away someday and the sooner you address the life insurance, the better.

HOST: And you want us to invest some of the refund into a Roth IRA for retirement.

BARGERSTOCK: A Roth is a perfect vessel for something with after-tax money once you receive that refund. With a Roth IRA, you're not going to have any tax benefits through the year, but what you do have is all of that growth, if you follow all their terms and conditions, that you'll take out tax-free at some point in your life. So you will get a lot out of that investment wise.

HOST: Next you recommend to open a Uniformed Gift to Minors Account or 529 plan for college savings.

BARGERSTOCK: Exactly, yeah, I mean future. Not only the future for yourself but the future of your family. A lot of parents want to provide something for their children. So, opening an account, not all children go on for educational purposes, so it's important to ask your financial professional what account

is best.

HOST: Okay. Now what is a 529 plan?

BARGERSTOCK: A 529 plan is going to be where you're going to have for college expenses. For anything like that, that you're going to have tax-free amount to yourself.

HOST: And pay off existing credit card debt?

BARGERSTOCK: That's a big one. You know it's unfortunate that people do have credit card debt, but you're going to be able to pay off credit card debt because you have this large sum on money. So, you have to figure out your balances. The high interest, high balances, which one do you pay off first or pay down. It's really up to you.

HOST: Alright and finally take your family on a mini-vacation.

BARGERSTOCK: It's great to talk about finance all the time. A lot of times when I sit down with families I have to remind them it's not all about just investing. It's also about your future now and making memories. So, maybe take half of that refund, do something smart financially with it and meet with somebody. Then relax, take kind of a mini-vacation and you know, make a memory.

HOST: Alright that sounds good. Thank you very much Galen.

BARGERSTOCK: Yeah, thanks for having me.

HOST: We will have these tips plus a link to the Government & Civil Employee Services website posted to ours, centralPAtv.com.

Galen Bargerstock, president of Government & Civil Employee Services, LLC (GCES), is concentrated on navigating federal and state employees through financial and retirement planning. Galen holds a Pennsylvania Life, Health and Annuity License, as well as Series 6 and 63 licenses.

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