

ARC Connection

March 2008

Volume 5, Issue 3

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Economic Stimulus Rebate Check

Most Americans who file federal taxes will receive a rebate check later this spring without taking any special action. However, **all individuals, even if you would not normally file a tax return, will need to file for 2007 in order to receive the cash rebate.**

In order to receive a check, an individual must have at least \$3,000 in qualifying income. Individuals who had at least \$3,000 in

earned income – and therefore qualify for the rebate – but otherwise weren't required to file a return, must file a tax return to get the rebate.

Qualifying income includes: Earned Income; Social Security retirement, survivor, and disability benefits, not including Supplemental Security Income; Railroad Retirement benefits; and/or Veterans' disability compensation, pension, or survivors' benefits.

Mortgage Insurance Premiums

For 2007 only, mortgage insurance premiums can be treated as home mortgage interest. New lines on the 2007 versions of Forms 1098 and 1040 Schedule A have been added to allow reporting of the mortgage insurance premiums. Premiums that you pay or accrue for "qualified mortgage insurance" during 2007 in connection with home acquisition debt on your qualified home are deductible as home mortgage interest.

The amount you can deduct is reduced by 10% for every \$1,000 (\$500 if your fil-

ing status is married filing separately) by which your adjusted gross income exceeds \$100,000 (\$50,000 if married filing separately). Mortgage insurance premiums you paid or accrued on any mortgage insurance contract issued before January 1, 2007, are not deductible as home mortgage interest.

For more information refer to IRS Publication 936, "Home Mortgage Interest Deduction", for tax year 2007 or visit the IRS website at www.irs.gov and search under the key words "mortgage insurance premiums".

2008 Scholarships

ARC scholarship applications are available for 2008 High School graduates pursuing higher education. Application packets are available on-line at www.arccfu.org and in our lobby.

All applications must be received by **March 7, 2008**. Stop in or view our website at www.arccfu.org for more details.



NOTE:

ARC debit cards have a daily limit of \$2,000 or 9 transactions.



Phone: Main Number (814) 946-0857
Toll Free (877) 946-0857

Option 2 Voice Response
Option 3 Member Service
Option 4 Loan Center

Fax: Loan Center (814) 946-4010
Member Service 946-0903

Email: memberhelp@arcfcu.org

Website: www.arcfcu.org
www.arcandme.com

Holidays

March 17 - St. Patrick's Day

March 21 - Good Friday

Open only 8-12

March 23 - Easter Sunday

Closed



TV Winner

Congratulations to MaryAnn Pellegrine our winner of the 32" HD TV. The winner was selected on February 1, just in time for the Super Bowl. Members were entered into the drawing each time they used their ARC debit card and chose "credit."



"The promotion was very successful and we hope to offer similar promotions in the future."

Pictured above: Vic Gioiosa ARC CEO and MaryAnn Pellegrine

Retirement Savings Contributions

One way for low and moderate income Americans to save on taxes is by saving for retirement. If you make voluntary contributions to an employer-sponsored retirement plan or to an individual retirement arrangement, you may be able to take a tax credit.

Formally known as "The Retirement Savings Contributions Credit", the Saver's Credit applies to:

- Individuals with incomes up to \$25,000 (\$37,500 for a head of household)
- Married couples, filing jointly, with incomes up to \$50,000
- Persons who are at least age 18, not a full-time student and cannot be claimed as a dependent on another person's return

You may be able to take the credit of up to \$1,000 (up to \$2,000 if filing jointly) if you make eligible contributions to a qualified IRA, 401(k) and certain other retirement plans. The amount of the credit is determined by your filing status, your adjusted gross income (AGI), and your other retirement contributions.

The credit is a percentage of the qualifying contribution amount, with the highest rate for taxpayers with the least income.

When figuring this credit, you must subtract the amount of distributions you have received from your retirement plans from the contributions you have made. This rule applies for distributions starting two years before the year the credit is claimed and ending with the filing deadline for that tax return.

The Retirement Savings Contributions Credit is in addition to other tax benefits which may result from the retirement contributions. For example, most workers at these income levels may deduct all or part of their contributions to a traditional IRA. Contributions to a 401(k) plan are not subject to income tax until withdrawn from the plan.

For more information, review IRS Publication 590, Individual Retirement Arrangements and Form 8880, Credit for Qualified Retirement Savings Contributions which include the instructions. The publication and form can be downloaded at IRS.gov or ordered by calling 800-TAX-FORM (800-829-3676).

Stop in to ARC to receive more information about setting up an IRA for yourself.

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