



# WE'RE HERE FOR YOU, CLASS OF 2020

## \*LAUNCHING INTO POSTGRADUATE LIFE → A VIRTUAL PRIMER\*

Every year we love hosting our How to Adult series to help you launch into life post-Bates -- and we missed the opportunity to do that this year! To that end, we wanted to share with you advice, suggestions, and resources for all those adulting questions.

Over the last few weeks, we've focused on a variety of topics, ranging from budgeting and finances to housing and community.

This week, we're focusing on (cue dramatic music): **TAXES**.

Considering all of the hours you put into earning your income, taxes are definitely not the most thrilling topic. However, because of all of the hours you put into earning your income, you should know exactly how much of that income you get to keep.

Since we're not certified accountants or financial planners, you'll want to make sure to consult your HR/benefits representatives and other financial professionals for specific guidance on how to manage your individual tax situations. As with most things, ask early and don't wait until **APRIL 15!** (That's Tax Day in the U.S. for you newbies out there.)

\*\*\*\*\*

For now, here are a few basic tips and useful resources:

- ❑ **TAX WITHHOLDING:** When you earn income in the U.S., you get taxed at the federal, state, and local levels. Depending on the information you provide on your W-4 ("tax withholding") form to your HR/benefits representatives, you get different percentages of your income pulled out from your regular paycheck.

Because the U.S. operates with a progressive tax system (where those who earn more pay more tax, and those who earn less pay less tax), the final amount of tax you owe each year ultimately depends on your total earned income for the year. If you overpaid tax (i.e., if too much was taken from your paychecks during the year), you'll get a refund after you file your tax return. If you underpaid tax (i.e., if too little was taken from your paychecks during the year), you'll need to pay the government what you owe. Check out [the federal income tax brackets and the federal income tax calculator](#) at NerdWallet for assistance with figuring out where you stand based on your expected income.

NOTE: Tax withholding can vary on certain types of income. For example, if you receive a signing bonus as part of your new job or an end-of-year bonus for strong performance, make sure to inquire directly with your HR/benefits representatives how much of that bonus will go to taxes. You may think you're winning the lottery...until you realize that you'll only be seeing half of it! Don't go shopping just yet.

\*\*\*\*\*

- ❑ **TAX CREDITS AND DEDUCTIONS:** Tax credits reduce the amount of tax you owe. Tax deductions reduce how much of your income is subject to taxes ("taxable income"). Different items and situations constitute credits and deductions that can impact your taxable income and tax owed, so it's important that you keep track of whether these items and situations apply to you. Check out [the full list of credits and deductions](#) at IRS.gov for individuals as well as business and self-employed (especially if you're operating your own business -- we're looking at you, entrepreneurs!).

NOTE: Certain types of retirement contributions (e.g., 401(k) or traditional IRA) can potentially reduce your taxable income. Not only is starting retirement savings as early as possible really wise, but doing so can bring down the tax you owe. Make sure to consult your HR/benefits representatives and other financial professionals about the retirement options associated with your employer and on your own.

\*\*\*\*\*

- ❑ **TAX RETURNS AND SOFTWARE:** As we mentioned earlier, ask early and don't wait until **APRIL 15!** Taxes can take some time to figure out -- even if you've been doing them for years. Don't hesitate to ask for help and explore resources. Money Under 30 provides some great [tax articles](#), including one called "[9 Things Millennials Need To Know Before Filing Their Taxes](#)" which walks you through the essentials of filing.

Many of us have filed our taxes on our own. If your situation isn't very complicated, it's totally manageable. That said, there are many programs that can help you file online and NerdWallet has highlighted the [best tax software](#) based on service and features, so check them out and pick the best one for your needs.

\*\*\*\*\*

**\*\*WHERE TO FIND US THIS SUMMER\*\***

- **Counseling Appointments via Phone, Zoom, or Google Hangout**

As is the case every summer, our team will continue to be available, so don't hesitate to reach out should you need help with anything related to Purposeful Work. Our counselors are available for appointments via phone, Zoom, or Google Hangout. You can make an appointment for Monday-Friday 9AM-4PM ET through Handshake (log in, click "Career Center" in the upper right, then click "Appointments"). If you have any trouble making an appointment, please email us at [purposefulwork@bates.edu](mailto:purposefulwork@bates.edu).

- **Resume and Cover Letter Reviews**

If you'd like to submit your resume and/or cover letter for review, please email your document(s) to [purposefulwork@bates.edu](mailto:purposefulwork@bates.edu). We'll have an advisor available every Monday-Friday 1-3PM to provide feedback on your document(s).

- **Quick Consultation**

If you'd like to reach out with a quick question or for a quick consult, we'll have an advisor \*LIVE\* on Zoom every Wednesday 7-9PM through the summer. Find us at this Zoom link: <https://bates.zoom.us/j/92562630956>. You'll enter a waiting room and the on-call advisor will be with you as soon as possible.

NOTE: If you've missed any of the Class of 2020 messages since March 23, you can find them [here on the Purposeful Work COVID-19 page](#).

As always, we're here for you. Have a wonderful summer!

The Team at the Center for Purposeful Work