



New York State Comptroller Thomas P. DiNapoli

Your Money

New York

Special Report

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New York State is holding billions of dollars in unclaimed funds.

Some of this money may belong to you!

The State has \$9 billion in unclaimed funds, including forgotten bank accounts, utility deposits, insurance payments, stocks and bonds. This money belongs to New Yorkers, and Comptroller DiNapoli wants to return this money to its rightful owners.

Visit www.osc.state.ny.us to see if the State is holding your money in Unclaimed Funds!

Message from Comptroller DiNapoli

Welcome to this special edition of *Your Money New York*.

The State, the nation and the world are facing extraordinary economic challenges. Volatility in the financial markets is impacting college and retirement savings, and threatening financial goals for even the most responsible savers. The credit crunch is making it difficult for many – from small businesses to large corporations, from individual households to state and local governments – to meet their day-to-day expenses. New Yorkers should be aware of the many programs offered by the State to help them through difficult times (see “State Assistance Programs for Tough Times” on page 4).

The instability in the financial sector is creating a crisis of confidence, and the federal government has taken action to stabilize the economy. This includes increasing the bank deposit insurance amount to reassure bank customers that their money is safe (see “Deposit Insurance Basics” on page 3). In exchange for these tax-funded rescues for the financial sector, there must be more effective regulation. Confidence in the markets will only be fully restored when openness, transparency and accountability are ensured.

Many state and local governments know they are facing declining revenue, and are taking steps to make programs and services more cost effective. I continue to work with Governor Paterson and the Legislative Leaders to monitor the State’s financial situation. As I have been saying for some time, the State can no longer afford business as usual. Action must be taken to prioritize spending to allow the State to meet the critical needs of its residents going forward.

Many families across the State are concerned about their ability to make ends meet. Now is the time to make every dime count. By working together to deal with this financial crisis, we can get on the right track to stabilize our budgets and set the State – and our families – on a course for a secure financial future.

Sincerely,

Thomas P. DiNapoli
State Comptroller



Every Dime Counts – Flex Accounts

As families look for ways to cut back, now is a good time to investigate and consider participating in programs that your employer may offer which will save you money on taxes.

Flex Spending Accounts help you keep more of your paycheck by letting you set aside pretax money for eligible health care costs and dependent care expenses for you, your spouse and your children. These costs can include co-payments for doctors' visits, eye care (including contact lenses and glasses), dental care and certain medications, as well as child care and elder care expenses.

How it works. Upon enrollment, all you have to do is estimate how much you expect to spend that year for eligible health care costs that your health plan does not cover. Over the course of the year, this amount will be deducted from your paycheck, before federal, State and payroll taxes are taken out. As you spend money for eligible costs, you submit receipts for reimbursement from your account for your out-of-pocket eligible costs.

What you save. Your eligible expenses end up being paid for with pretax dollars, saving you money. Your savings can really add up – for most employees, depending on your tax bracket, it is like getting your out-of-pocket medical, dental and eye care at a discount of up to 30 percent. Your employer may offer two programs that provide this benefit (see sidebar).

Use-it-or-lose-it. One cautionary note: flex accounts carry a use-it-or-lose-it aspect, so make sure you do not overestimate what you expect to spend. If you set aside more money for the year than you spend, you will not get it back.

Enroll! Ask your employer if they offer the Flex Account program, learn more about program requirements and decide if it is right for you. Enrollment deadlines do apply (and may be quickly approaching), and you must re-enroll each year. However, you may find that the tax savings associated with these programs make participating worth the effort.

Health Care Spending Account

- Allows you to pay out-of-pocket health costs with pretax dollars, reducing your taxable income.
- Contributions can be used to cover some expenses that would not be tax deductible, such as certain over-the-counter medications.
- In contrast, medical expenses are tax deductible only when they exceed 7.5% of your adjusted gross income, and you have to itemize to claim the deduction.

Dependent Care Account

- This account can be used to pay for work-related day care expenses for eligible household members that you claim as dependents.
- Dependents must be children under the age of 13, or those who are physically or mentally unable to care for themselves.
- Note: the costs eligible for this account are the same as those eligible for the federal income tax credit. If you reimburse the expense through this account, you cannot use that same expense as a tax credit.

Protecting the New York State Pension Fund

The New York State Common Retirement Fund (CRF) holds assets in trust for more than one million employees and retirees from State government, most local governments and many public authorities. Proper management of this Fund, however, affects more than just government employees. Effective management and clear accountability with regard to the State's pension fund are critical to make sure that the costs borne by State taxpayers to provide pension benefits are minimized.

This is why, as Sole Trustee and manager of New York's pension fund, Comptroller DiNapoli has made it his primary objective to manage the pension fund in a manner that maximizes investments, minimizes costs to participating local governments and provides security for employees through their golden years.

Since taking Office, Comptroller DiNapoli has initiated a number of reforms to make the CRF one of the most transparent and prudently managed public pension funds in the country. In fact, the CRF's 2.56 percent return for the 2007-08 State Fiscal Year exceeded the S&P 500's return of -5.1 percent. Through these very difficult and volatile economic times, this careful management is more critical than ever. For more information, visit www.osc.state.ny.us/pension/index.htm.

Deposit Insurance Basics

Recent financial events have reduced confidence in the global economy. These events may have you questioning the security of the money you have saved in bank accounts, Individual Retirement Accounts (IRAs), certificates of deposit (CDs) and other bank savings vehicles.

It is important not to panic, but instead take the steps you feel are necessary and appropriate to put yourself in a position which best serves your immediate and long-term financial needs. It would be a good idea to talk to your bank about which funds are insured and which are not. The following is a basic overview of bank deposit insurance.

Don't hesitate to use the resources provided here or to contact your financial institution for more information. Look for the FDIC seal at your bank to make sure your deposits are insured.

The Federal Deposit Insurance Corporation (FDIC). Congress created the FDIC in 1933 to restore the public's confidence during the Great Depression. The FDIC insures deposits at the nation's banks and savings institutions. If the banks where you have deposited your savings fail, the federal government guarantees your deposits up to the insured amount.

Bank deposit insurance coverage. On October 3, 2008, Congress temporarily increased the FDIC bank deposit insurance amount from \$100,000 to \$250,000 per depositor per insured bank (different branches of one bank are considered one insured bank), through December 31, 2009.

The FDIC insures accounts at banks separately. For example, if you have \$250,000 in each of two separate banks, you are insured for the \$500,000 total. Under some circumstances the coverage may be even greater. For example, with joint accounts each individual is covered separately, so a joint account with \$500,000 in deposits is fully insured as well.

Visit www.fdic.gov/deposit/deposits/insuringdeposits/index.html or call 877-ASK-FDIC (877-275-3342) to learn more.

What about Credit Unions? Credit Unions have coverage similar to banks under the FDIC, but the insurance is provided by the National Credit Union Administration (NCUA). The NCUA is a federal agency that administers an insurance fund similar to the FDIC's insurance fund, backed by the full faith and credit of the U.S. Government.

The law that increased FDIC insured deposits maintained parity between the FDIC and NCUA, so credit union insurance coverage was also increased to \$250,000 through December 31, 2009.

To see if your credit union is covered, look for the NCUA seal, visit www.ncua.gov or call 800-755-1030.

Additional information. The FDIC website provides a great deal of information on deposit insurance. You can search for your bank to find out if it is insured, find the locations of your bank's branches, find out if your bank has merged or been acquired, or review your bank's history.

It also tells you how FDIC deposit insurance works and estimates coverage on your deposits. Visit www.fdic.gov/deposit/index.html for more information.



What is covered?

- Bank accounts - checking, savings and trust accounts and CDs.
- Money market deposit accounts (not to be confused with money market mutual funds) and certain IRAs are also covered.
- FDIC coverage only applies to bank deposits in these accounts, not investment products.

What is not covered?

- Investment products that are not bank deposits, even if the investments are purchased from an insured bank.
- Mutual funds, treasury securities, annuities, life insurance policies, municipal securities, stocks, bonds and safe deposit box contents.
- Some of these products may be covered by their own guarantees or insurance. For example, the Securities Investor Protection Corporation insures certain investments under some circumstances. Call 202-371-8300 or visit www.sipc.org/index.cfm.

State Assistance Programs for Tough Times

Everyone will face challenging times at certain points in their lives, and it is important to know that help is available. The programs identified here are just a sampling of what is currently being offered by the State to assist New Yorkers facing difficulties. Visit the New York State home page at www.ny.gov/index.html or call 518-474-2121 for more information on these and many more programs available to serve New Yorkers.

If You Need Help Paying for:	You May be Eligible For Assistance With:	Program:	Phone Number:
Food	Monthly grocery bills. www.otda.state.ny.us/main/foodstamps/	Food Stamps	1-800-342-3009 NYC 1-877-472-8411
	Food for pregnant or breast-feeding women, infants and children. www.nyhealth.gov/prevention/nutrition/wic/index.htm	Women, Infants and Children	1-800-522-5006
	Food served in child or adult day care and after school programs. www.nyhealth.gov/prevention/nutrition/cacfp/index.htm	Child and Adult Care Food	1-800-942-3858
Housing	Affordable rental housing and community-based housing assistance. www.nysdhcr.gov/ahd/default.asp	Affordable Housing Directory	1-866-ASK DHCR
	Affordable housing options, mortgage and foreclosure assistance, home buyer assistance through SONYMA and HFA. www.nyhomes.org/home/index.asp?page=1	Keep the Dream (and more)	1-800-382-HOME
Energy	Paying your energy bills. www.otda.state.ny.us/main/heap/	Home Energy Assistance	1-800-342-3009
	Making your home more energy efficient. www.nysdhcr.gov/apps/profiles/profile_WAPcnty.asp	Weatherization Assistance	1-866-ASK DHCR
	Home and appliance energy efficiency improvements. www.getenergysmart.org/lowincome/EmPower.aspx	EmPower New York	1-800-263-0960
Medical Care	Medical care costs. www.health.state.ny.us/health_care/medicaid/#definition	Medicaid	Call your local social services department
Medications	Cost of medications for seniors. www.health.state.ny.us/health_care/epic/	Elderly Pharmaceutical Insurance Coverage	1-800-332-3742
Health Insurance	Health insurance options for small businesses and individuals. www.HealthyNY.com	Healthy NY	1-866-HEALTHY NY
	Health insurance for families and children. www.health.state.ny.us	Family Health Plus Child Health Plus	1-877-934-7587 1-800-698-4543

If you would like to be added to our mailing list for future editions of this newsletter, or if you have any comments or suggestions for future topics to be addressed, please let us know!

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