

## **H&R Block Helps Working Americans Build a Stronger Financial Future**

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KANSAS CITY, Mo.--(BUSINESS WIRE)--Jan. 31, 2005-- Products and Services Offered Right at the Tax Desk  
Underscore Company's Commitment to Low- to Moderate-Income Taxpayers

H&R Block (NYSE:HRB) is reaching out to low- to moderate-income taxpayers with a comprehensive portfolio of products, services and initiatives designed to help families and individuals maximize their tax refunds, keep more of their money and save for the future.

Because the tax season typically is the one time of year that many people stop to truly assess their financial situation, H&R Block is in a position to understand the economic challenges that many working families face. At the same time, H&R Block tax professionals have a unique opportunity to provide a financial check-up, describe a range of savings opportunities and alert taxpayers to the various government benefits available to them.

"We are determined to harness the expertise and knowledge of our company and our tax professionals to help working Americans improve their financial situation," said Bernie Wilson, H&R Block vice president. "This is not only the right thing to do for our company, it's the right thing to do, period. In the months and years ahead, we will continue to help bring working families into the financial mainstream."

H&R Block's array of low- to moderate-income products and services help clients "get" the maximum refund they deserve, "keep" the money they earn and "save" for their future.

### **Get It: Maximizing Your Refund and Benefits**

In tax season 2004, H&R Block helped clients receive tax refunds, credits and other government benefits collectively worth \$29 billion. Yet there is more to be done. Billions of dollars are spent each year on programs designed to help families in need.

But that money is wasted if individuals fail to take advantage of the programs. That's why H&R Block is committed to ensuring that the millions of Americans who are eligible for government aid, tax credits and other benefits receive them.

One of the company's largest educational efforts involves the Earned Income Tax Credit (EITC). EITC is a direct tax credit that was established by Congress 30 years ago to help offset the impact of payroll and income taxes on the working poor. In tax season 2004, more than 20 million low- to moderate-income families received over \$36 billion through the EITC, or on average, about \$1,700 per family. One in four of those claims were filed on clients' behalf by H&R Block.

Nationwide, however, there are still about four million eligible families who do not apply for the credit. In order to reach them, H&R Block has joined forces with the Association of Community Organizations for Reform Now (ACORN). In January, the organizations launched a 65-city campaign to increase EITC awareness among potentially eligible households. EITC flyers, educational videos and advertising are being used in targeted community outreach efforts nationwide.

H&R Block also has teamed up with the city of San Francisco to promote the city's new Working Families Credit, a local credit that would enable eligible San Francisco families to receive payments equal to a percentage of their federal EITC payments, and is likewise partnering with the cities of Miami and New York City to encourage EITC participation among residents in those areas through orchestrated grassroots campaigns.

To boost involvement in another important federal program -- food stamps -- H&R Block has initiated a free program in 12 of the most populous states to provide eligible clients with food stamp applications, state contact information and brief "what to do next" instructions. U.S. Department of Agriculture officials estimate that almost half of those eligible for food stamps are not participating in the program. Food stamp participation can mean an average of \$195 per household in benefits.

### **Keep It: Making Refund Dollars Go Farther**

An unfortunate reality in America today is that those who need their tax refund dollars the most typically pay the highest fees to

cash their refund checks. In fact, five million H&R Block clients either don't have bank accounts or use banks only occasionally, and spend an average of \$100 in fees each year to convert their refunds to cash or money orders.

To address the problem, H&R Block has partnered with Bank of America to pilot a low-cost, limited-use account called Debit Plus. The individual's tax refund is deposited directly to the account within 8-15 days and the account is then accessible with a Visa(R) debit card issued to the client. The card can be used wherever Visa debit cards are accepted. The Debit Plus account is designed to help consumers establish a banking relationship, avoid high check-cashing fees and avoid the interest and fees associated with Refund Anticipation Loans.

#### Save It: Building a Solid Financial Future

H&R Block is proving wrong the widely held assumption that lower-income Americans can't save or don't want to save. Over the past four years, the company has helped nearly 400,000 families save almost \$210 million for their retirement. One important tool that H&R Block has created to boost saving is the Express IRA. The Express IRA allows clients to open a retirement account with as little as \$300. The initial contribution can be funded from the individual's tax refund.

After a client has reached \$1,000 in savings, the client can roll the Express IRA into a more traditional retirement product. Thus far, about 23,000 account holders have moved their money to retirement vehicles offered by H&R Block Financial Advisors.

There are millions of hardworking low-income and moderate-income people in this country who want a safe retirement just as much as wealthier people. With the help of an experienced tax professional, personalized advice and appropriate products, they too can secure their futures. To learn more about the full array of tax-related products and services, please visit: [hrblock.com/presscenterhrb\\_lmi\\_kit/tax.jsp](http://hrblock.com/presscenterhrb_lmi_kit/tax.jsp).

#### About H&R Block

H&R Block, Inc. (NYSE:HRB)([www.hrblock.com](http://www.hrblock.com)) is a diversified company with subsidiaries that deliver tax services and financial advice, investment and mortgage services, and business accounting and consulting services. H&R Block empowers clients to make tax and financial decisions by providing a unique combination of tax services, financial information and advice, and related products and services. The company's mission is to help clients achieve their tax and financial objectives by serving as their tax and financial partner.

As the world's largest tax services company, in 2004 H&R Block served more than 21 million clients in the U.S. and 12 countries. H&R Block Financial Advisors, Inc. offers investment services and securities products. With approximately 1,000 financial advisors serving clients at approximately 360 branch offices, H&R Block Financial Advisors Inc. is a member NYSE, SIPC, a registered broker-dealer and investment advisor. H&R Block, Inc. is not a registered broker-dealer and is not a registered investment advisor. H&R Block Mortgage Corporation offers a full range of retail mortgage services. Option One Mortgage Corporation provides mortgage services and offers wholesale mortgages through large financial institutions and a network of 24,000 independent mortgage brokers. RSM McGladrey Business Services, Inc. and its subsidiaries serve mid-sized businesses and their owners with tax, accounting and business consulting services, as well as personal wealth management services.

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