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## Ideas for managing your refund safely and securely

Here are some ideas to help your money arrive quickly and safely, once you have submitted your federal taxes and expect a refund coming to you. Consider these safe ways to receive and manage your refund.

### **Find out if you may be eligible for free tax-preparation assistance through the IRS**



The Internal Revenue Service

(IRS) [Volunteer Income Tax Assistance](#)

([VITA](#)) and [Tax Counseling for the Elderly \(TCE\)](#) programs offer free basic tax return preparation to qualified individuals. By assisting taxpayers to prepare their taxes, VITA/TCE providers assist taxpayers with identifying all the credits for which they are eligible, such as the Earned Income Tax Credit, which can lead to a large refund.

### **Choose a reputable tax preparer, if getting assistance with filing**

If you decide to get assistance with preparing your tax return and may not be eligible for the VITA or TCE programs, be sure to find a reputable tax preparer. While most tax preparers are recognized professionals who can be very helpful, it is important to understand a professional's fees upfront and avoid scammers. Be wary of those promising large refunds or special inside knowledge of little-known tax credits and rebates, or those contacting you directly at your home or over the phone. Scammers make money collecting fees or stealing your personal information for later use. If you aren't sure a tax preparer is legitimate, ask for a preparer's tax identification number, PTIN, which all legitimate preparers must have. Also, ask the preparer for references. Learn more about [choosing a tax professional](#) and [preparing to file your taxes](#) on the IRS website.

### **The tax refund process and benefits of a bank account**

The fastest way to get your tax refund is to have the IRS [electronically deposit the refund into your bank account](#). This service is free, and it allows you to deposit your refund into as many as three separate accounts. While you can receive your refund in the form of a paper check, there are several advantages to direct deposit. Not only is it faster, direct deposit is also more secure. Refund checks sent through the mail can be lost, stolen, or returned to the IRS, if undeliverable. If you don't already have a bank account, this might be the perfect time to [open one](#). The FDIC provides [deposit insurance](#) to protect your money in the event of a bank failure. Your deposits are automatically insured to at least \$250,000 at each FDIC-insured bank.

An easy way to have confidence that your money is safe is to deposit it in a bank account insured by the Federal Deposit Insurance Corporation (FDIC). [Getting banked](#) can help you track spending, have proof of payment, and pay bills online or using a mobile app. If you hold a deposit account with an FDIC-insured bank, you are insured for at least \$250,000. The FDIC provides [information](#) to help you determine whether you are dealing with an FDIC-insured bank and how to avoid fake banks and apps.

### **Prepaid cards**

Another option is to have the IRS deposit your refund onto a prepaid card. If you use a prepaid card, read the fine print and make sure you know how to deposit money onto the card and any fees

involved. Cards differ in the types of deposits allowed, and also the process for receiving government deposits, and the fees charged for certain transactions. If you set up a new prepaid card account for your refund, you may be required to provide information to validate your identity, such as your Social Security number and date of birth. The Consumer Financial Protection Bureau (CFPB) offers resources to help consumers understand and choose prepaid cards, and the FDIC provides information that may be helpful in understanding whether the funds on your prepaid card would be FDIC-insured.

If you choose this option, be careful with your prepaid card and personal identification number (PIN). If they are lost or stolen, you could be subject to replacement card fees or risks associated with unauthorized charges.

## **Tracking your refund status**

Whichever refund delivery method you choose, you can track the status of your federal tax return from the time the IRS received it by IRS Where's My Refund.

## **Protect your money from tax scams**

Be sure your refund is protected. If your personally identifiable information, such as your name, address, and Social Security number, is stolen, scammers can use your information to open credit card and loan accounts or file a fraudulent tax return in your name. This information also allows a thief to claim your refund. If you suspect that your information was stolen, contact the IRS by calling 800-908-4490 and visit the IRS website for identity theft resources.

Identity thieves have also been known to pose as IRS agents, providing fake names and IRS badge numbers. Some even create fake phone numbers that appear on your caller ID as coming from the IRS. These thieves often threaten people with audits, deportation, and other legal action or promise checks for unclaimed funds. The IRS initiates most contacts through regular mail delivered by the United States Postal Service. Before acting on any phone call or email purportedly from the IRS, call the agency at 800-829-1040 or check its website for verification resources. IRS representatives can verify whether the IRS is, in fact, trying to get in touch with you. You can also report unsolicited emails by forwarding them to phishing@IRS.gov and following other instructions on the IRS website.

If you believe the contact was part of a scam, also report it to the Treasury Inspector General for Tax Administration (Tax IG) by calling 800-366-4484 or reporting the scam on the Tax IG website.

## **What to do with your refund**

Tax refunds can provide a great opportunity to start a new savings account, contribute to your emergency fund, or reduce outstanding debt. Because you can split your refund, you are able to use each of these options.

Consider using your refund to start or supplement an emergency savings fund. Having emergency savings provides peace of mind when an unexpected need arises, such as a major car or home repair. The amount to set aside for your emergency fund will depend on factors such as your income, expenses, and the number of people in your household. A general recommendation is to try to keep three to six months' worth of expenses in your emergency savings fund.

If you are carrying a credit card balance, think about using your tax refund to pay it down or even pay it off. To get the most from your money, it may make sense to pay off a credit card with a high interest rate, with interest compounding month after month. Going this route can help improve your credit history as you reduce your debt.

Making extra payments on your mortgage is another way to use your refund, saving you money over the long term. If much of your mortgage payment goes toward paying interest, using your tax refund to make an extra payment or two against the principal can go a long way to reducing the debt and overall cost of the loan.

If you are getting a tax refund this year, remember to take steps to keep your refund safe, know the refund options available to you, and consider different ways to make your money work harder for you.

#### **Additional resources:**

##### **FDIC**

[Get Banked!](#)

[How Money Smart Are You?](#)

##### **IRS**

[Get ready to file your taxes](#)

##### **CFPB**

[Guide to filing your taxes in 2025](#)

For more consumer resources, visit [FDIC.gov](#), or go to the [FDIC Knowledge Center](#). You can also call the FDIC toll-free at 1-877-ASK-FDIC (1-877-275-3342). Please send your story ideas or comments to [ConsumerEducation@fdic.gov](mailto:ConsumerEducation@fdic.gov) . You can [subscribe](#) to this and other free FDIC publications to keep informed!

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