

Stepping Out

INTRODUCTION

If you are not already 18, you will be soon. When you reach age 18, you become an “emancipated adult.” Your whole world will not change, however, many of the protections our society puts in place for minors—from preventing youth being taken advantage of in contracts or financial matters to the way youth are treated for criminal behavior—are lost once you are legally considered an adult. As an adult, you will be free to make and enter into contracts and to hold, invest and spend your money. You will be able to buy or rent items. You will have the right to vote in elections.

But with every right comes responsibilities. When we enter into contracts or leases, we become bound by their terms. When we invest or spend money, we risk losing it or spending it carelessly. With the right to vote comes a responsibility to be an informed citizen and to exercise the right we have been given. At 18, you have the right to marry without your parents’ or guardians’ consent. But in all cases, decisions come with consequences whether they be positive or negative—and as adults, we reap or suffer the consequences of our actions.

The *Stepping Out* program involves local attorneys and judges visiting your school or program to talk about what they do—and about issues you will face as an adult. We hope this booklet will help you and that you will use the *Stepping Out* program to ask questions and learn facts you will need to know as you step out into the “real world.” This pamphlet is not intended to teach everything there is about the law or those situations you may encounter. Instead, it gives you some examples of what you can expect. If you need legal advice or representation, you should consult an attorney.

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1. KNOWING THE LAW

In our legal system, it is presumed that we know the law. Ignorance of the law is not an excuse. So, as you get involved in new activities, it is important that you learn about the law and other rules that affect those activities.

Understanding the Consequences

Almost every decision we make has consequences. Some are good and some are bad. Some are easy to understand and some are not. If you pay for a car or other item, you will own it. If you spend money on one item, you may not have money for another. If you borrow money or contract to do something, the law requires you to perform your obligations.

CONTRACTS: Many things involve contracts, which are verbal or written agreements that define the terms of the bargain, or, in other words, what each party has agreed to do. You may deal with people who use pre-prepared contracts for their business – whether it is renting an apartment, purchasing a car or furniture, or most anything else. They know what their contract form says. You are presumed to have read the contract before signing it.

Quite often, you will talk with someone and agree to basic terms. Then another person will bring out a contract for you to sign. That is when you have to read the document. Once you sign a contract, you are obligated by all of its provisions, often without regard to what you might have been told before signing the contract. Forgetting the contract's details or failing to read it first will not excuse you from complying with whatever it says.

For a while, a lot will be new—simply because you have not dealt with these matters before. With experience, you will become familiar with how certain things are done, but as you begin dealing with contracts and other situations that are new or complicated, you will be faced with new terms and issues. If you are uncertain if a contract says what it should or what the implications of a legal decision might be, ask your parents, a trusted adult, or an attorney for help.

IF YOU BORROW MONEY and cannot afford to repay it, or if you use borrowed money to buy items that you cannot afford, the creditor may be able to collect the rest of what you owe by repossessing property or getting a judgment against you. If you use a credit card to buy items you cannot afford you may find that instead of paying off the debt, you get into a financial hole that can lead to bankruptcy and a damaged credit record.

IF YOU SIGN A CONTRACT but fail to meet your contractual duties, a party to the contract (and sometimes others) can sue you. In some instances, failure to do what the law requires may constitute criminal conduct. For instance, if you write a check without

having sufficient funds in your account, you may be sued for the money and/or charged with a crime.

CRIMES: Crimes are offenses against the public. Like every other state, Pennsylvania law defines those actions or omissions that constitute crimes. Federal law and local ordinances also define actions that constitute criminal offenses. Sometimes an action might be a crime under federal law even if it is not considered a crime under state law or vice versa. Your friends may ask you to do something that is illegal. However, going along with them in committing a crime can hurt someone or damage property, and you can be held responsible. Engaging in criminal activity often destroys lives.

IF YOU DO SOMETHING THAT WOULD CONSTITUTE A CRIMINAL OFFENSE, you can be arrested, brought to trial and, if convicted, sentenced to pay a fine and restitution to any victim. You also can be imprisoned. Criminal convictions are tracked and can follow you for the rest of your life. A criminal conviction can limit the types of jobs you can get, the educational programs you can be admitted into, financial aid to which you might be entitled, ability to vote, serve on a jury, own or possess a firearm, driving privileges and what you will be able to make of your life.

You may be required to report any criminal convictions in applications for jobs or financial loans, including student financial aid. A conviction may also hurt your ability to adopt a child later in life or may be brought up in a child custody dispute. Criminal convictions tend to creep up when they are least expected and often when you most want it to be kept a secret.

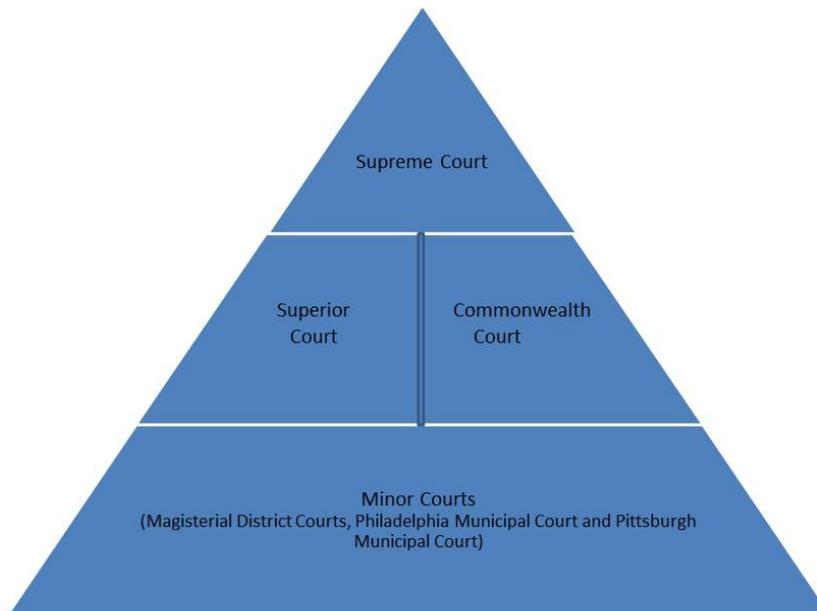
The purpose of this section is not to scare you. But, it is important to understand that every decision you make has consequences—and it is important that you understand those consequences before you act. If you do, you probably will make better decisions.

Pennsylvania Court System

PENNSYLVANIA'S UNIFIED JUDICIAL SYSTEM forms a hierarchical structure that is best illustrated in the form of a pyramid, as shown on the following page.

The base of the pyramid holds special courts called the Minor Courts. For most areas in Pennsylvania, these courts are the local magisterial district courts. In Philadelphia and Pittsburgh, they are the Municipal Courts. Generally, these courts hear non-jury criminal cases, civil cases seeking a monetary judgment under \$12,000, all traffic cases, landlord tenant cases and matters pertaining to bail. The Special Courts also decide whether criminal cases, such as assaults, thefts and murder, should go to the Court of Common Pleas.

Pennsylvania's Unified Judicial System



At mid-level are the Courts of Common Pleas. Each county has a court which hears most criminal and civil cases; appeals from the Minor Courts; and most matters involving children and families, including divorces, custody, marriage licenses and wills.

The next level includes two appellate courts, the Superior Court and the Commonwealth Court. The Superior Court hears appeals from the Courts of Common Pleas regarding criminal matters, certain civil matters, and matters involving children and families. The Commonwealth Court hears original civil cases brought by and against the Commonwealth, appeals from decisions rendered by state agencies and appeals from Courts of Common Pleas involving the Commonwealth and local agencies.

At the top of the pyramid is the highest judicial authority in the state, the Supreme Court. The seven-member court hears discretionary appeals from the Superior and Commonwealth Courts by allowance; direct appeals from the Courts of Common Pleas in cases specified by statute, including all death-penalty cases and direct appeals from the Commonwealth Court in its original jurisdiction; and may hear a case from any level in certain circumstances. The Supreme Court is the administrative leader of all courts in the state.

How the Courts Operate

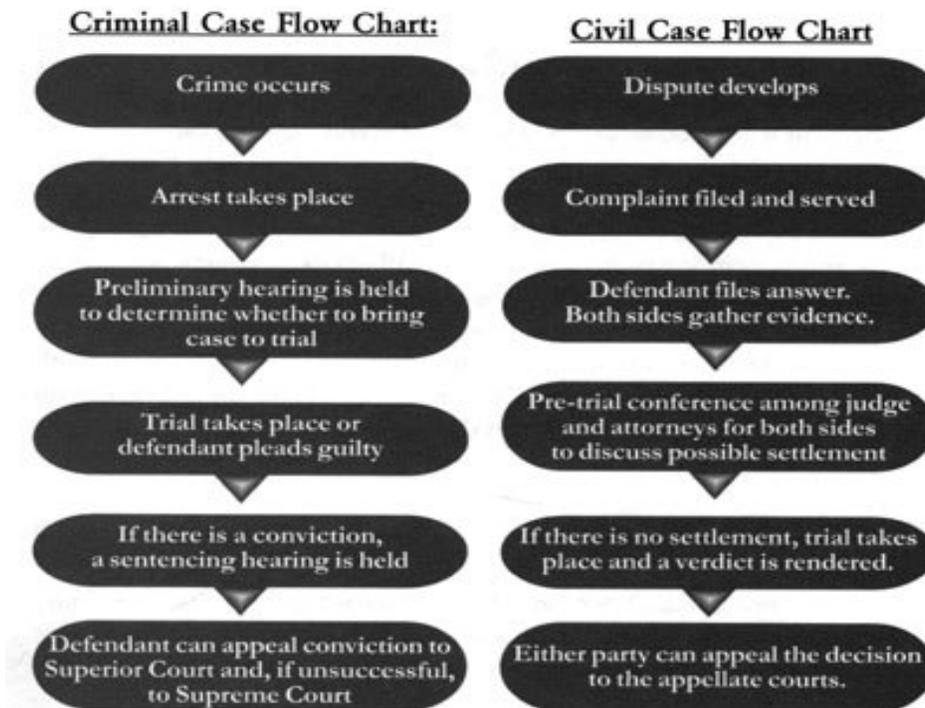
A case—whether civil or criminal—is tried before a judge, and in certain instances a jury is present, too. Juries are primarily available in Common Pleas (trial) courts. Juries are not permitted in the Supreme Court or in Superior Courts; only rarely are juries used in

Commonwealth Courts. If a jury is permitted, both sides in a case can agree to have the case tried before a judge only.

JURY DUTY: The success of the jury system depends upon your service. Your contribution is important to your community, and you should take pride in helping to preserve and strengthen our justice system.

For state cases, a computer randomly selects jurors from a master list of names, which are compiled from lists of registered voters and licensed drivers in each county. If you receive a juror qualification form, generally you have five days to complete and return the form to the jury coordinator. If you need to be excused from jury duty, you must present your request in writing. Jurors are compensated at the current rate of jury service.

How a Case Moves



Protecting Yourself by Knowing Your Rights

One of the best ways to protect yourself is to know what your rights are as a citizen. Your rights may be different depending on where you are. For example, while you are a student, your school may not allow you to wear certain clothing that you are allowed to wear when you are not at school.

To learn more about your rights as a public school student, visit: <https://www.aclupa.org/education/studentsrightshandbook>.

The American Civil Liberties Union (ACLU) offers a lot of information on your rights and can help you protect them if you feel they have been violated. To learn more about your rights as a citizen, visit <https://www.aclupa.org/> for Pennsylvania-specific information or <https://www.aclu.org/> for national information.

You can also find legal information at <https://www.palawhelp.org/> or <https://www.lawhelp.org/>. These web sites can help you find legal information on specific topics, as well as resource information for legal aid providers should you need to talk with an attorney.

2. MONEY, FINANCES AND BUDGETS

Whether you attend college, enter the military or get a job, you will find yourself dealing with money and financial issues. To a large extent, your parents or others have taken care of these things for you. They may well continue to play a big role in helping you, but you will find yourself faced with a number of new situations.

Much of what we learn comes from experience. The only way to get that experience, however, is by dealing with new issues. Talking everything over with your parents and other trusted adults is a good way to learn. Many books, magazines and internet resources can provide helpful information, as well. But, be sure to carefully consider the credibility and reliability of any source you consult and do not share sensitive data electronically without verifying the validity of the person or entity, and use a secure connection.

From balancing a checkbook, to saving money, to ensuring that you have the proper insurance, financial issues will affect you every day.

Living on a Budget

The first step in responsibly managing finances is budgeting. Budgeting requires realistically considering the money or income available to you and the expenses that have to be paid. How often you get paid plays a significant role in determining your budget. If you work, perhaps you will decide to use your salary from the first half of the month to pay bills, depending on whether you are paid weekly or biweekly. If you do not work or have low income, your budget will depend on what support you are receiving from family and friends and/or what government assistance you are entitled to receive.

For information regarding government assistance programs, including eligibility and application procedures, consider the following resources: www.ssa.gov (for Social Security benefits including disability and supplemental security income);

www.usa.gov/benefits (for various federal benefits including food, medical and other assistance); www.dhs.pa.gov (for Pennsylvania benefits including health, heating, child care and other assistance); www.ilp.pitt.edu (for information about the Independent Living Project for foster care youth transitioning out of the system).

If you attend college, your income probably will include earnings from any job, as well as financial aid in the form of student grants or loans. It is worth noting, however, that lending institutions pay such aid directly to the college. You receive any amount left over after the college applies the financial aid to your tuition, room, board and fees. You also may have assistance coming from your parents or others.

Remember to consider applying for scholarships in addition to grants and loans. Several types of grants and scholarships exist from public and private entities based on different criteria for all segments of society. Talk to your school guidance counselor or college admissions office about scholarships or grants you might qualify for, whether the criteria is based on income, foster child status, academic credentials, career interest, minority or ethnic background, or a family member's involvement with a particular religious or community group. You can find information about loans, grants, scholarships and avoiding scams on the U.S. Department of Education websites: <https://www.ed.gov> and <https://studentaid.ed.gov>. Information regarding financial aid and Pennsylvania colleges and universities can be found at <https://pacommunitycolleges.org> and <http://www.pashe.edu/Pages/default.aspx>.

CASH FLOW: A budget then has to factor in all of the fixed and variable expenses, with an eye toward when each comes due. A fixed expense is one that costs the same each month and is paid on a regular basis, e.g., weekly, monthly, quarterly or yearly. A variable expense is one that, as the name implies, varies in its amount from month to month. Beyond the overall picture is “cash flow”—or having the money available when it is needed to pay bills as they come due.

A sample budget plan, assuming that many expenses are due monthly, might look something like the example shown after the following paragraphs.

MAKE A BUDGET: Everyone lives on a budget, even if they do not think about it. If governmental expenses exceed revenues, the government can raise the difference through taxes. However, we go into debt if our expenses exceed the money we have. Ignoring or forgetting about recurring expenses does not make them go away.

Serious consequences often result if you do not allocate enough money to your recurring expenses. For example, a college can prevent you from enrolling in classes or force you to withdraw from school if you do not pay your tuition, thereby delaying your college plans. Your landlord can evict you if you fail to pay your rent when it is due. Your utilities can be disconnected when you do not make timely payments. You will probably

be charged additional court costs, late fees and reconnect fees on top of the original amount owed, and your late payments may be reported to credit bureaus. A poor credit rating can impact your ability to get a loan, buy a car or house and even get a job.

My Budget		
Gross Income (Before Taxes)	\$	
Deductions for Taxes, Social Security	\$	
Net Income (Gross Income— Deductions)		
Divide Net Income by 12 (Net Monthly Income)	\$	
Expense	Amount/month	Percent of Total
Housing		
Utilities		
Food		
Education		
Car Payment		
Car Insurance		
Car Expenses (gas/maintenance)		
Credit or loan payments		
Health, Life Insurance etc.		
Investment / Savings		
Clothing		
Fun, Recreation		
Misc. / Other		
Total		100%

EXPENSES: The number of your recurring expenses will depend upon your circumstances, but will become due at a particular time, usually either monthly or quarterly. These expenses include college expenses, a car loan, rent, utility bills and insurance premiums. Variable expenses, like car repairs and medical care, are incurred over and above fixed expenses. You should consider allocating money to cover these expenses - they surely will occur, often as surprises and in unknown amounts.

The number of your variable expenses also will depend on your unique circumstances and often are due as a need arises. For example, living costs at college are a big variable expense and should be included when estimating the total cost of attending college. As mentioned earlier, rent typically is due on the first of each month, but how much you spend on groceries, for instance, and how often you buy groceries will vary. Inevitably, you will incur entertainment and clothing expenses because you probably will not spend

all of your time studying or working. Once you determine how much you are going to spend on entertainment (going to the movies, going out to eat, etc.) try to stick to the budget. If you spend over your budget on entertainment and clothing, you may not have enough money to pay for any unexpected bills that arise, including medical or dental expenses. The extent of medical or dental insurance will determine your out-of-pocket expense, which is why you should set aside money to cover unexpected expenses.

A BUDGET IS A PLAN. If your income is not enough to pay all of your expenses, you really have only two choices: reduce or eliminate unnecessary expenses or increase your income. Remember to differentiate between your actual needs and your “wants.” Often, our income does not allow us to pay for all of our “wants.” If this is true for you, then you may have to forego some of your “wants” in order to meet your real needs.

Often, we have no clear idea of where we spend our money until we sit down and map out a budget. This exercise often helps us identify where we may be spending unwisely. If you have a budget, it will be easier to evaluate realistically your ability to meet any new spending or payment obligations that you may want to incur, like the purchase of an automobile or renting an apartment. Few will ever have enough money to afford everything that we might want; therefore, use a budget as a plan to make the most of your income. A budget is a useful tool to combat overspending and the nasty consequences that result from overspending.

Checks, Debit Cards and Credit Cards

“Money”—in its various forms—is financial currency. This means that money is what we, and others, accept as payment for services performed or goods sold. Cash is money, but most exchanges of money do not involve the use of cash.

CHECKS: In legal terms, a check is a “negotiable instrument.” This means a check is a document that represents money payment so long as the check is backed up by money held in a bank (or credit union) account. In many cases, two financial institutions process checks: the bank in which the check writer (or “payor”) has his or her checking account and the bank where the person entitled to payment (or “payee”) has an account. The payee can cash the check, deposit the check into his or her bank account or sign the check over to another person.

BAD CHECKS (NSF or Non-Sufficient Funds): If you give someone a check from an account that is no longer open or does not have enough money to cover the amount of the check, you are issuing a “bad check.” Your bank will not be able to make payment on the check; you will still owe the debt.

In addition, your bank may charge you with a bad check fee; the payee can also charge you a bad check fee or sue you for the money owed. Criminal charges may also be filed

against you for issuing a bad check. Unless your account is open and holds enough money to cover a check, you must not write a check.

If a check that someone else has given you is returned without payment because of insufficient funds (NSF) or any other reason, the law requires that you give that person written notice and the opportunity to make payment on the check as drawn. If the check still remains unpaid, you can sue for the money owed by filing a claim for a bad check at a magisterial district court.

Sometimes we are directed to make a necessary payment in some way that leaves no question whether funds are available. Cash, of course, is one such way to ensure payment. Other ways include using: a Certified Check, which is your personal check certified by the bank that it is backed by sufficient funds; a Cashier's or Treasurer's Check, which is a check that is issued by your bank or credit union, drawn to be payable to someone and purchased with your money; or a Money Order, which is issued by an institution, like the post office, and purchased with your own money.

DEBIT CARDS work in a manner that is very much like a check. Instead of writing a paper check, the debit card is presented, electronically read and processed. Funds in the amount needed to pay for the purchase are taken from the cardholder's account and transferred to the seller's account. Check with your bank to understand any fees for using your debit card and what protections exist in the event that your card is stolen or your card number is used without your permission. Statutory protections against fraudulent use are often better for credit cards than for debit cards. Whether your liability for fraudulent use is \$0, \$50 or unlimited can depend on the type of card and how quickly you notify your bank or credit card company of a lost/stolen card or unauthorized transaction.

CREDIT CARDS like Visa, MasterCard, Discover and those issued by department or other stores are processed electronically, much like a debit card. There is an important difference between a debit card transaction and a credit card transaction, however. With a debit card, the funds transferred to the seller come from the cardholder's bank account. With a credit card, the funds transferred to the seller are loaned to the cardholder and must be repaid (with interest) by the cardholder.

It is important to remember that each time you pay with a credit card, you are taking a loan, and that the interest on the account balance (loan) can be quite high, often 18% or more. You must pay a minimum payment each month, but credit card companies charge interest on any remaining unpaid balance. Remember that each time you use a credit card, you are incurring a debt in the form of a loan. To avoid or minimize interest and paying much more for your purchases, pay your entire balance each month or as much as you can rather than just the minimum payment due. Just think, 18% interest on a \$100 dollar purchase means you're really paying \$118 for that \$100 item (or more

depending on how long you take to pay off the debt). A good rule of thumb is that if you can't afford to pay in cash, you can't afford to pay with credit.

ELECTRONIC BANKING: Increasingly, purchases, payments and other transactions are completed through the electronic transfer of funds from one account to another account. Social Security checks and payroll checks often are deposited directly into the recipient's bank account. Purchases that were once paid by check are now paid through the electronic transfer of funds (e.g., as through the use of a debit card) or through an electronic banking account or payroll deduction. These transactions can include the payment of recurring bills such as mortgage payments or car payments.

Today, most investments involve the transfer of funds or other assets held in an account, most typically, the checking or savings account at a bank or credit union. Other investment accounts involve stocks, bonds, or other financial instruments or documents of value that are held by an institution in which we hold an account. Although we might own the stock or bonds, we usually never see the actual stock certificate or bond.

It is important that we pay attention to what happens and regularly read our account statements to confirm that any transfers and deposits are recorded and correctly accounted for. The convenience of electronic banking can cost you money or cause you other trouble if you do not understand what is involved and do not review your account statements.

Savings and Investments

The sample budget illustrated on page 9 includes an item for investment in savings. When money comes into our hands, it is easy to think of ways to spend it. Spending all of your money as soon as you get it will leave you unable to afford the unexpected car repair, insurance premium, or college tuition bill that comes due months down the road. It takes self-discipline to save money, but by setting aside money for the future, you will be able to pay that unexpected bill—or to build a nest egg for something that is really important to you.

THE SIMPLEST WAY TO SAVE is through a savings account at a bank or credit union. You either can make deposits into the account directly or arrange for an automatic transfer from a paycheck or other source of income.

Automatic deposits can be an easy and painless way to ensure that you save money. Interest is paid to you on the balance in some accounts, and you should compare interest rates before deciding where to open an account. Currently, deposits up to \$250,000 at banks, credit unions and savings and loan associations are insured by federal agencies against loss if the institution goes bankrupt. The FDIC does not cover other products available from these financial institutions such as mutual funds and

annuities. To learn more or check for any changes in the amount insured, go to www.fdic.gov/deposit/deposits.

You will hear about other ways to save or invest. Be careful from whom you accept investment advice and evaluate their experience, references and licenses before giving them money or agreeing to use their services. When you have a substantial amount to invest or are able to put an investment away for a while without needing to spend it or worrying about how much tax is paid on the income, you should learn about and consider the following:

CERTIFICATE OF DEPOSIT—A certificate of deposit (or “CD”) is a savings investment for a period of time (such as 90 days or three years) at a bank, credit union or savings association with a fixed interest rate paid over its term. Funds cannot be withdrawn before maturity without incurring a significant penalty, which can be as much as 10%.

STOCK—Buying stock is buying an ownership interest in a business corporation. The market value of the stock or what you will pay for it, fluctuates day to day—and can go up or down. Most companies pay dividends to stock owners, but when stock prices are high, the rate of income on dividends is often 2% or less. Over the long haul, investing in stock can give us a higher return than other investments, but owning stock also involves the risk of losing value.

BONDS—Bonds, whether issued by the United States (savings bond), a governmental unit or authority (municipal bond) or a corporation (corporate bond), are a sort of loan by you to the entity that is borrowing the money (i.e. you loaning the money to the government).

Interest is paid on bonds at a stated rate—either by buying them at a fraction of their face value and receiving full value at maturity (savings bonds; zero-coupon bonds) or through interest paid, usually every three or six months, on a bond bought at face value.

The U.S. government backs savings bonds. Most high-grade municipal bonds are backed by the unit or authority and insurance. If an interest rate is a lot higher than usual, it is probably a riskier investment. Interest on savings bonds is subject to federal, but not state, income tax when received; municipal bonds are often exempt from all income taxes; corporate bonds are fully taxable.

MUTUAL FUND—A mutual fund is a fund managed by people having more investment experience than most of us, which includes investments by thousands or millions of people. The fund uses investments to buy stocks, bonds and savings investments in a “mix” that depends on the fund’s objective. Objectives involve “growth,” “growth and income,” bonds, international corporations or some mix of them. Like stock, you should decide what your objectives are and look into the alternatives.

Taxes on Income

Taxes are the means by which the government raises money to provide public services. Grumble as we may, we all have to pay taxes to the federal government, the state government and to the local government.

INCOME TAXES will affect most of us. The money the federal government collects from income tax and related taxes is used for everything from funding the military, to repairing highways, to providing Social Security and Medicare benefits. States and municipalities also collect income taxes. As a general rule, federal and state income tax is withheld from everyone's wages, except those who make very little money. Employers generally withhold income tax. But if you are self-employed, you must arrange to pay your taxes on your own. If you are an independent contractor, you may have to pay taxes on a quarterly basis, as well as file an annual income tax return (the April 15 tax return you are probably most aware of). The person you do work for should provide you with a form 1099 at the end of the year which states the amount of money they paid to you. This form is also submitted to the government, so if you do not claim these wages on your tax return, you could open yourself to liability for unpaid taxes, which may include interest, fees and penalties.

As an individual's wages increase, so too does the rate at which their income is taxed. How do you calculate your taxable income? Different rules exist under federal, state and local laws. The tax forms and related instructions will generally provide you with the information you need to determine what to report as income and on what amount the tax is calculated based on different deductions that you might be able to take.

W-2 FORM: By January 31 of each year, each employer must give you a form called a W-2 form that shows your total wages and the amount the employer withheld for each tax you are required to pay. You also have to pay taxes on money you get from other people besides your employer, like those who are paying you interest (such as a bank), dividends (such as stock) or non-employee compensation (such as prize money). Whoever gives you this money must give you a 1099 form. These forms will give you information you need to prepare your federal, state and local income tax returns, but you should make sure the information is correct.

Borrowing Money

When we really need something now but we do not have enough money to pay for it, we might need to borrow money. For example, if it costs more money than you have to go to college, you may look for grants (when the government or an organization gives you money to use for something and you do not need to pay them back). If you cannot get a grant, you might try to get a loan.

ANTI-DISCRIMINATION LAWS: There are legal protections for borrowers. If you are age 18 or older, no one can discriminate against you because of your race, religion, nationality, gender, age or marital status. The law prohibits a lender from asking whether you plan to get married or have children. However, if you do not have the money to pay the loan back or if you have a bad credit record, no lender is obligated to approve a loan to you.

LOANS: A loan is when you get money now from a lender (such as a bank) and have to pay the amount you borrowed plus interest over time. The lender makes the loan to you because they profit from the interest you pay. Because different loans charge different amounts of interest, you must be careful that the interest is not too high and not too difficult to repay.

There are different consequences, depending on the type of loan, if you cannot pay it back. Many loans are secured by collateral. For example, a mortgage is a loan secured by the house as collateral, and a car loan is secured by the car as collateral. If you do not pay the loan payments, the lender can take the collateral. Student loans are not secured by collateral and generally cannot be discharged by bankruptcy. Student loans must be repaid.

Lenders are required under federal law to tell you in advance how much the loan will cost. The interest rate must be stated. When comparing the interest rates of different lenders, be careful! There are different names for different ways of calculating interest, and you want to be sure that you are comparing the same kind. One kind is “annual percentage rate” interest, which is calculated by taking into account the required loan costs (fees that the lender might charge you) and the actual interest rate.

Increasingly, banks, car dealers, home sellers, electronic stores, furniture stores and others will try to convince you to buy things that you cannot afford and borrow money to pay for them. If it has not happened already, you soon will begin getting letters from banks inviting you to accept a credit card from them. It might seem flattering at first, but this is not a compliment, as they are trying to make money by charging you interest.

INTEREST RATES: Sometimes interest rates are low. Because we consider a college education so important, the federal and state governments award loans at lower rates of interest than are charged for other loans. The theory is that the investment is a good one and not very risky—as we become more educated, we can probably make more money. In other words, the interest rate is low because an education is valuable.

Sometimes, however, interest rates are high because the lender has less security in the loan. Often, though, to convince us to buy things we really cannot afford, places will offer 5-year and 6-year loans or charge really high interest rates on cars or furniture or other expensive things that are not worth all those interest payments.

Additionally, credit card companies offer us a “credit line,” or an amount up to which we can make purchases. However, they usually charge 18% annual interest or more, and the low minimum payments can mean that you will just pay interest forever and ultimately spend much more for the product or service than you realize. For instance, if you run up charges of \$2,500 on a credit card, figuring you can afford the minimum payment each month, but the card company imposes interest of 19.8% per year, how long does it take you to pay the balance and how much more than \$2,500 do you spend because of the interest paid? You will be surprised. See the following section for the answer.

Borrowing is not necessarily bad. Sometimes we have to borrow money. Even though it can be confusing, it is really important to do the math and make sure you can afford it. Otherwise, borrowing money you cannot repay will lead to problems you may not be able to fix or escape—and can hurt you in the future.

Credit Card Reality Check

A CREDIT CARD should be handled carefully. At a store, you make the decision to use it. If you want to purchase something through the internet, you can elect to use a credit card. If you lose a credit card or it is stolen from you, you may be responsible for up to \$50 in unauthorized purchases on each card, as long as you immediately inform the bank or store that issued the card that your credit card was stolen. If the credit card company imposes a notification requirement and you do not notify it, the \$50 limit probably will not apply, subjecting you to liability for more than \$50.

Things can go wrong. People have gained access to other’s credit card numbers and have run up large charges. Since you could end up being liable for a lot of money you never borrowed, you should do all you can to keep your account information private.

Keep account information handy so you can give notice if you lose your card. Hold onto your card. Do not tell others your account information unless you want to buy something. Even then, try to make sure that you are dealing with a legitimate operation. If someone contacts you and asks for account information, it may be a scam.

Remember, there is no law that stops us from borrowing money we cannot afford to repay. Credit cards are not a “free pass” to a lifestyle we cannot afford. Only you can control your use of credit. Credit card debt is the single biggest reason for bankruptcy.

WHAT CREDIT CAN COST: Eighteen year-old Carol felt rich when she got her first credit card during her senior year of high school. She charged up to her \$2,500 credit limit the first month. After that, she was very careful to pay on time, but she only sent in the minimum payment. With an interest rate of 19.8%—even though she never charged

another item—it will take her 47 years to pay off her account and she will have spent \$12,483.63 for the \$2,500 worth of goods and services that she charged.

Year	1	5	10	15	20	25
Payment Number	1	60	120	180	240	300
Minimum Payment Due	\$50.00	\$40.65	\$32.95	\$26.69	\$21.63	\$17.53
Interest Paid	\$41.25	\$33.54	\$27.18	\$22.02	\$17.84	\$14.46
Principal Paid	\$8.75	\$7.11	\$5.77	\$4.67	\$3.79	\$3.07
Balance Due	\$2491.25	\$2025.71	\$1641.41	\$1330.01	\$1077.69	\$873.23
Total Interest Paid to Date	\$41.25	\$2235.92	\$4047.65	\$5515.67	\$6705.19	\$7669.04
Total Principal Paid to Date	\$8.75	\$474.29	\$858.59	\$1169.99	\$1422.31	\$1626.77

Year	30	35	40	45	47	T O T A L P A I D
Payment Number	360	420	480	540	566	
Minimum Payment Due	\$14.21	\$11.51	\$10.00	\$10.00	\$10.00	
Interest Paid	\$11.72	\$9.49	\$7.57	\$3.52	\$0.09	
Principal Paid	\$2.49	\$2.02	\$2.43	\$6.48	\$9.91	
Balance Due	\$707.57	\$573.33	\$456.59	\$207.03	\$0.00	
Total Interest Paid to Date	\$8450.03	\$9082.86	\$9594.82	\$9945.26	\$9983.63	
Total Principal Paid to Date	\$1792.43	\$1926.67	\$2043.41	\$2292.97	\$2500.00	

\$12,483.63

BANKRUPTCY: When a person or business is unable to pay bills as they become due, the federal bankruptcy laws allow for relief. Sometimes, credit counseling can help you organize debt and deal with bad situations without filing for bankruptcy. Depending on the circumstances, bankruptcy can allow discharge of certain debts and give the debtor a fresh start in life. HOWEVER, bankruptcy does not excuse student loans in the typical case. A debtor cannot keep the house or car encumbered by a lien without paying the lien creditor. Moreover, the fact that a person has gone through bankruptcy will appear on that person's credit report and seriously limit his or her ability to borrow money for a number of years.

Insurance

Generally, insurance is something that protects us by assuring that benefits (money) are paid should something happen that leads to losses we cannot afford to pay ourselves.

WHAT INSURANCE IS—AND WHAT IT IS NOT. Insurance provides a means of insuring that certain bills will be paid if something happens that you cannot afford or do not want to have to pay yourself. You should buy only the amount of coverage that you

need and can afford. You can adjust the amount of coverage as your circumstances change.

DEDUCTIBLES OR COPAY amounts are involved in many types of insurance, like vehicle, medical, renter’s and homeowner’s insurance. A deductible is the amount you must pay out of your own pocket before insurance benefits kick in. The higher the deductible or copay is, the lower the insurance premium will be. The deductible or copay you pick should be based on what you could afford if something happens—and it is not safe to assume that nothing will ever happen. If you do not have much money, lower deductibles and copays make sense. As you have more money, you can raise those amounts.

MEDICAL PAYMENTS can easily exceed \$25,000 and potential liability in an auto collision easily can exceed \$50,000. So, keep this in mind as you consider coverage amounts, because if you do not have enough insurance, you can be held personally responsible for the difference.

FULL TORT OR LIMITED TORT is an option you can elect to include in your Pennsylvania car insurance policy. These options apply if you are injured in an accident. Under the limited tort option, you give up the right to sue the other party for certain damages unless your injuries are “serious”—which you would have to prove in each case. Saving a few dollars under limited tort involves very real risks to you, which you should consider before making the election.

VEHICLE INSURANCE—Pennsylvania law requires that all registered vehicles have a prescribed minimum amount of “liability” and “first party” benefits coverage. Liability coverage pays benefits to others if you do something that damages their property or causes personal injury to someone. It is a criminal offense if you do not maintain insurance on your registered vehicle, even if it is in storage for the winter. If found guilty of failing to maintain insurance coverage, you also can lose your driver’s license.

FIRST-PARTY COVERAGE: In Pennsylvania, first-party coverage pays your medical expenses if you are injured in an automobile accident. You also decide the amount of wage loss and funeral benefits you may want for your protection. Beyond required coverage, there are other benefits that should be included in the policy for your protection.

COLLISION COVERAGE pays benefits if your vehicle is damaged in any event involving another vehicle, whether or not the accident is your fault. For example, collision coverage pays benefits if another driver smacks your car door in a parking lot.

COMPREHENSIVE COVERAGE pays benefits if your vehicle is damaged in an event that does not include another vehicle such as acts of vandalism, a baseball through the

windshield, or hail damage. **UNINSURED MOTORISTS** benefits will pay your own losses if you are injured in an accident caused by a driver who has not maintained the required insurance. **UNDERINSURED MOTORISTS** benefits protect you if you are injured in an accident caused by a driver who had insurance, but not enough to cover your loss.

HOMEOWNER'S INSURANCE—When you own a home, insurance is a must. It protects against a wide variety of harm, including claims of others, fire or casualty damage to the home, and theft or vandalism. Some policies include coverage for personal property stolen from other places or defined things that might happen outside the home.

RENTER'S INSURANCE: If you live in an apartment or house that is owned by someone else, the owner probably maintains insurance that will protect the owner against loss if the building is damaged by fire or if someone is hurt falling on the entrance steps. It is unlikely, however, that the owner's insurance will cover damage to the renter's property. Renter's insurance protects you if your belongings are damaged by fire or stolen or if someone gets hurt inside of your apartment and seeks damages.

LIFE INSURANCE: Death, especially your own, is not a pleasant subject to think about. Life insurance pays benefits to people you name or designate as beneficiaries upon your death. Term insurance really is coverage for one year, renewed year after year until you or the company opts out. The cost can be lowest, especially when you are young. As you get older, that cost keeps going up. Whole life, universal and variable life insurance is something you own. The premium for each year usually is fixed when you buy the policy—the younger you are, the lower the premium. If you get married and have children, life insurance is one way to protect your family if something happens to you.

MEDICAL INSURANCE: You may be covered under your parents' coverage—or you may not be. Medical insurance provides coverage for treatment by doctors and hospitals and, depending on the policy or plan, for dentists, eye doctors and prescriptions. It is often a benefit of employment or available through one's college. If you do not have health insurance as such a benefit or via your parents, you will have to purchase it on your own, and it can be expensive. Without health insurance, you run the risk of having to pay the full amount of any medical or dental expenses that you incur.

Employment Benefits

In Pennsylvania, if you are employed, the employer provides basic benefits in addition to your wages or salary. Employers must pay the same share of Social Security and Medicare taxes that you pay. The employer contributes to the Unemployment Compensation Fund, which provides benefits to employees who lose their jobs through no fault of their own. Employers must also maintain workers' compensation coverage on employees, which pays for medical treatment and for compensation to employees injured while at work.

Beyond that, employers offer benefits to employees ranging from nothing to a variety of insurance, retirement and savings plans. When you consider a job, it is reasonable to ask the employer what benefits it provides and for you to compare different offers. The more benefits an employer provides, the less you will have to buy.

INSURANCE provided by employers can include life, medical, hospital, dental, vision, prescription and disability. The more types offered, the better, but an employer may not be required by law to provide anything. Disability insurance pays benefits when you cannot work due to illness or injury, regardless of whether the illness or injury is job-related. If not provided by an employer, disability insurance might be an important coverage to obtain yourself.

RETIREMENT PLANS: Long-term saving for retirement is very important. Some employers maintain pension plans. Others maintain what are called Section 401(k) plans. Some pension plans are fully funded by the employer; some involve contributions by both the employer and the employee. The employer controls the pension plan and benefits are paid upon retirement. A Section 401(k) plan is held by an employee and administered by someone else. Some plans involve contributions by employers; all involve contributions by employees. Money usually cannot be withdrawn from a Section 401(k) until age 59 ½. In addition, you are not taxed on the money you put into a Section 401(k) plan or on its growth until you take the money out.

3. PROMISES, PROMISES

Whether you think about it and whatever you call it, you often are entering into contracts. When you reach 18, you have legal capacity to contract, unless and until you become incapacitated or incapable of knowingly making decisions for yourself.

In the law, a contract is an agreement between two or more people having legal capacity; the contract involves a lawful subject matter and is supported by “consideration” (something of value) and performance. When you promise to do or pay something in return for someone else doing, paying or refraining from doing something, it is a form of a contract—whether you call it a contract, an agreement, a deal or a promise. However, you cannot contract to break the law. Like everyone, you must comply with the terms of the contracts you enter into, and it is important to read and understand all terms in a written contract before signing it.

Contracts

When two or more people agree to do, pay for, or refrain from doing something in return for what others do, a contract is formed. Many contracts are unwritten. Many things, especially things that are unimportant or that can be accomplished quickly, do not require a written contract.

For example, when you go to a store and buy a television or car, a contract is being made. You pay the price and the store gives you the item. This sounds easy, but what if the TV or car does not work? You agree with a landlord to rent an apartment, but nothing is written. Even if you pay the rent, the landlord can end any lease on 30 days' notice. You and your friend want to be partners and run a business. You might save money by avoiding lawyers and by not having a written agreement. If, however, your partner leaves or the other party to the bargain wants to change the deal, what happens?

CONSIDER EVERYTHING. When we do business, we typically assume that everything will work out perfectly, but things do not always work out so well. There is often a lot more involved in these transactions and considering everything at the start can save money later on.

Lawyers sometimes drive their clients crazy by seemingly making situations more complicated than the client would like them to be. But by asking questions on issues the client probably would never have considered, they are protecting their client's interests. The more you think about and deal with situations ahead of time, the likelihood of encountering unpleasant situations will decrease. The more you know and think about before you enter into a contract, the better the likelihood that everything will work out. You always want to be prepared for the worst scenario and hope it never occurs.

Warranties

If you buy a new car, the manufacturer includes a warranty for a defined number of years or miles driven, which is important, and is on the contract of sale. You will not know what the warranty covers unless you read it before signing the contract.

THE PA "LEMON LAW" requires the manufacturer of a new car used for personal or household purposes to repair, at its own cost, a substantial defect that occurs during the first year, during the manufacturer's express warranty or before you drive 12,000 miles, whichever comes first. The buyer or lessee may be entitled to a refund or replacement car if three attempts to fix the defect fail or if the car is out of service for repair for 30 days during that warranty period.

Under Pennsylvania law, there are implied warranties. One presumes that an item purchased will be "merchantable," i.e., fit for resale. Another type of warranty is a warranty of fitness for a particular purpose, which applies where something is purchased for a particular purpose and presumes that the item will be fit for that purpose.

USED CARS: If you buy a used car in Pennsylvania, the dealer either must make clear that it is selling the car to you "as is" or that it will honor the implied warranty of

merchantability. With cars or anything else, if you buy something “as is,” you assume all risk of defects so a thorough inspection before buying is important.

The Lemon Law applies to used cars but in a limited fashion. The reselling agent must disclose that the car was returned under the Lemon Law and must provide warranty for 12,000 miles or one year, whichever is earlier.

Increasingly, businesses involved in selling products are including in their standard contracts language that tries to disclaim or disavow “all warranties, express or implied.” If you sign an agreement with that language, you will have trouble if you find defects in the product. You may find that there are no warranties at all, no matter what you assumed. While this language has to be in bold face or larger size print, you will have to look to find it. If you do not read the contract before you sign it, you will not know what you have done to yourself until it is too late.

FINANCING: When you borrow money, you will have to sign a note. A note constitutes your promise to pay and details the terms of the debt. If you are giving the lender collateral as security for your repayment, the note and other documents will identify the collateral and explain what can happen if you do not pay.

If you do not pay as agreed, you may lose the collateral, be responsible for paying the lender’s cost of getting and reselling the item and be at risk for paying any balance on the debt after resale of the collateral. It is important that you read and understand these documents.

Consumer Transactions

“Consumer transactions” refers to purchases made and contracts entered into where the purpose is to obtain goods or services for personal or household use. Consumer transactions can occur in stores, through the mail, online or in our homes through in-person sales visits.

When the consumer transaction occurs in your home, the law provides you with an opportunity to rescind or “undo” the transaction. The law affords this opportunity because you may feel that you have been rushed into a transaction; you may feel trapped and that you cannot “escape” the seller when the seller is in your home or that you want to make the seller “happy.”

To protect against sellers taking advantage of this aspect of your human nature, the state law provides that you, as the buyer, may rescind or undo the contract or transaction within three business days after you have signed a contract in your home. Federal law provides a similar three days “cooling off” period when you borrow money that will be secured by your home (mortgage or equity loan).

The three day “cooling off” period only applies whenever there is a sale in the home and the price is \$25 or more. It does not apply to a purchase made outside of the home, even if the purchase is for a very high-priced item such as a car.

This law allows you to use the time to think again and consider whether or not the purchase or contract is a good idea for you and if you really want to go through with the purchase or contract. If you decide that you want to cancel, the notice must be in writing and must be delivered to the other party within three business days after signing the contract or making the purchase.

When purchasing items online, you should always be certain to read carefully the seller’s return policy and be mindful of any fees or costs associated with returning the item you purchased online.

PLAIN ENGLISH CONTRACTS: Pennsylvania requires that consumer and residential lease contracts be in an “easy to read” style and format. If you are presented with a contract that is not easy to read, you can point this out to the other party. A landlord or seller’s failure to comply with the “Plain English” requirement can result in civil liability to the seller or landlord or, in some cases, invalidation or cancellation of the contract and payment of your lawyer’s fees.

CONSUMER COMPLAINTS: The Pennsylvania Attorney General Office of the Bureau of Consumer Protection is located in Harrisburg. You may obtain a consumer complaint form by visiting the office, by calling (800) 441-2555 and asking for a form to be mailed to you, or by downloading a consumer complaint form at www.attorneygeneral.gov. A complaint may be filed directly on the website. This service is free, and the bureau can often help when you have a consumer complaint against a business.

Renting an Apartment

If you lease an apartment or house, Pennsylvania law presumes the lease is for a month-to-month basis unless it is in writing. Under a month-to-month lease, you or the landlord can end the lease by giving 30 days’ prior notice. Notice should be in writing, sent in the way required in the contract (when there is a rental agreement) and a copy kept. It is often a good idea to send letters by regular and certified mail, so that you have proof you sent the letter and, if the other person signs for the letter, that they received it. Always keep a copy of letters you send.

READ YOUR LEASE CAREFULLY: Your lease will identify who the tenants are, and every named tenant is obligated for the rent. This is especially important when you and someone else are the tenants because if your roommate leaves but only your name is on the lease, you can be stuck with paying the entire month’s rent. The lease also will specify the term of the lease, the amount of rent, and when and how rent is to be paid. It may provide for a late charge if rent is not paid by a certain date, and it will include

many other provisions that explain how things will work. A lease will define who is responsible for repairs, utilities, real estate taxes and municipal assessments like water, sewer and refuse removal. The tenant usually pays for telephone and cable TV.

SECURITY DEPOSIT: A lease usually will provide for a security deposit to be paid when the lease begins. For the first two years, the landlord can earn any interest on this deposit, but after that the landlord can only keep 1% interest. The rest is yours. When the lease ends, you should give the landlord written notice of your forwarding address and request a refund of the security deposit. Unless the lease provides otherwise, you cannot use the security deposit for payment of your last month's rent. The landlord can deduct from the deposit costs of cleaning or repairing the apartment but must give you written notice of any deductions and remit the balance to you within 30 days after your notice. You can be evicted on as little as 10 days' notice for failure to pay rent due under the lease.

Family Matters

As we have already illustrated, many of the decisions you make have legal consequences. This is especially true in your personal relationships. These decisions are particularly important because they affect not only you but also people you care for.

GETTING MARRIED

If you are 18 or older, you can be married in Pennsylvania without your parents' consent. The first step is to get a marriage license.

You and your intended spouse must first go to the Marriage License Bureau at your local county courthouse, at least three days before the wedding ceremony. That office will issue a marriage license, which you must present to the individual performing your wedding ceremony. A member of the clergy, a judge or a magisterial district judge can perform a wedding. It is no longer possible to enter into a common law marriage in Pennsylvania. You can, however, have a self-uniting marriage, if you do not wish to have a judge, clergy member or other officiant perform your marriage ceremony. Pennsylvania is one of the few states that allows for this type of marriage. A marriage license is still required, but you would apply for a self-uniting marriage license rather than a traditional marriage license. Make sure you are aware of the requirements of this special type of license, which requires you to have two signing witnesses to the ceremony.

CHILDREN

Child Support: All parents have a legal duty to support their children, even if the parents were never married to each other. The obligation to support begins when the child is born and continues until the child reaches age 18 or graduates from high school, whichever comes last. In some cases, the support obligation may be terminated before these events or may continue past graduation or age 18.

Child support becomes a legal matter when parents do not reside together. The parent who provides primary residential custody of the child is entitled to receive a periodic support payment from the noncustodial parent. The parents can agree to an amount of support that the custodial parent is to receive, or the custodial parent can request that the court establish an order for the correct amount of support.

Pennsylvania has uniform support guidelines that are based on each parent's income. Court ordered child support will always be deducted from a parent's regular paycheck and paid to the custodial parent through the state child support office. The support obligation also may include a responsibility for health insurance, medical expenses and day care or tuition costs.

Keep in mind that failure to pay court-ordered child support could result in incarceration depending on the circumstances.

Custody: When married parents separate or the parents do not live together, custody of the child becomes an issue. Each parent has a right to participate in the upbringing of his or her child. Custody involves not just where the child lives and how often the child sees the other parent, but also how the parents share decisions and information about their child.

Most parents have shared legal custody of their children. This means that both have input into important decisions on how the child will be raised. Often, one parent has primary residential custody and the other has partial custody. Partial custody means that the noncustodial parent may have custody of the child for specific periods of time and may enjoy that time with the child as he or she sees fit.

Parents always have the right and opportunity to agree to a schedule of custody and partial custody. That agreement can be made into a court order to give both parents the security of legal enforcement, but each parent always has the legal right to request that a court make the custody decisions. In some counties, the first step is an informal custody conciliation conference. Forms to request a custody conference can be obtained at the Custody Office or law library in your local county courthouse.

DIVORCE

Unfortunately, marriages do not always work out. Divorce is the legal dissolution of the marriage. As part of a divorce, the couple's property and bills must be divided fairly.

In Pennsylvania, a divorce can be filed if one spouse believes the marriage is irretrievably broken. That means that there is no chance for reconciliation. The divorce can then be finalized after a 90-day waiting period if both spouses consent or after a one-year separation. It also is not unusual for custody and support matters to arise

during a divorce. There are very important long-term consequences to the decisions you may make in a divorce, and it is very important that you have the advice of a skilled lawyer. It is also important to note that the divorce process is more likely to proceed better when people try to resolve their differences without animosity.

Protection from Abuse

Pennsylvania has a special law called the Protection from Abuse Act to protect individuals, who share a household or are in a personal relationship, from physical abuse or threats of abuse. If you are involved in a domestic abuse situation, immediately call the police. You also can contact the Protection from Abuse Office at your local county courthouse to begin legal proceedings without cost.

4. GETTING STUCK AND UNSTUCK

The best way to avoid getting “stuck” with a problem is often thinking about the consequences before you decide to do something. Despite your best efforts, you cannot control everything. There are going to be problems that you cannot control or anticipate.

Small Claims Court

Small claims court can be a way to resolve smaller claims without long delays and expensive lawyer fees. If you are involved in a dispute over money that involves \$12,000 or less, a complaint can be filed in the office of the magisterial district judge having jurisdiction where the defendant (the person being sued) resides or where the cause of action (the contract, note or accident) occurred. In Philadelphia, complaints involving cases of \$12,000 or less are brought in the Municipal Court of Philadelphia.

Suit is filed by completing a rather simple complaint that identifies the parties, summarizes the amount sued for, and the basis of the claim. The judge can try to resolve the dispute or enter judgment for one party or the other. Either party can appeal the judgment of the magisterial district court within 30 days to the Court of Common Pleas.

Claims for Injury or Damages

CALL THE POLICE if you are involved in an automobile collision. If anyone is injured, emergency services should be contacted. If damage is minor and no one is injured, the police will get information from each driver and prepare a short form report, a copy of which should be given to you. It will identify the drivers and their addresses, the vehicles, insurance companies and policy numbers. If there is major damage or someone is injured, the police will conduct a full investigation.

If you are involved in an accident, determine whether anyone was injured and call 911 if emergency help is needed. If anyone appears to be injured, be careful not to move that person, but action should be taken if there is an immediate need to do something to protect someone from further injury. Exchange information with the other driver and answer questions police ask, but do not say anything you might regret (e.g., “I’m sorry, it is my fault.”).

CONTACT YOUR INSURANCE COMPANY: You should contact your insurance company promptly and give the agent information about the accident. Insurance companies usually investigate once notified of a loss. If your car needs repair and your policy provides for a rental car, you can make arrangements for one.

It may be easier for you to have your car repaired under your collision coverage even if the other driver was at fault—unless the other insurance company offers to take care of it. Your insurance company would pay for repair of the damages less your deductible, but your insurance company, not you, would then seek to recover those costs.

Insurance companies increasingly are giving you their own estimate of what they think repairs should cost. You have a right to get your own estimates from repair shops you trust and the right to expect that repairs will be done properly. An insurance company’s own estimate may not match what a reputable repair shop will charge for that same work.

CLAIMS: In Pennsylvania, a suit seeking recovery of money damages for personal injury or property damage arising out of an accident or other wrongful act generally must be filed within two years after the loss, unless claims are settled prior to that time. If you may have a claim against a governmental unit, you must either file suit against or give written notice of a potential claim to the governmental unit within six months after the loss. If you suffered serious injuries that were not resolved, you cannot intelligently settle a potential claim until you know how your condition will end up. Other circumstances may impact how long you have to file a claim or suit so contact a lawyer for advice.

YOU MAY NEED ADVICE: Most lawyers will represent clients in claims for personal injury on what is called a “contingent fee” basis. In this arrangement, the lawyer represents you and receives as a fee a defined percentage of the money recovered in settlement of the case or after trial. If there is no recovery, there is no fee. In any case, clients are responsible for costs such as filing fees, fees paid to investigators or other professionals, and the like. You have a right to ask about those costs before they are incurred.

IF YOU ARE INJURED or sustain damage to property in circumstances other than an auto accident, many of the concepts discussed above still apply. If injured on someone

else's property, you should contact the property owner or manager as well as the agent for your medical insurance. If injured while on the job, you should promptly notify your employer.

IF ASKED TO SIGN FORMS for submission of claims, fill them out carefully—and ask a lawyer for help if you think you need it. After any claim, you may be contacted and asked to give a statement. Be careful here because what you say can be used against you. If you have been injured, you may be asked to authorize the other party or its representatives to obtain information about your treatment or earnings. This is a legal request, but, like statements, it can affect your claim. Therefore, discussing it with your lawyer in advance will help.

Criminal Law

Criminal law involves issues that are interesting to discuss, but in the “real world,” no one wants to deal with them. If you have to deal with them, it will be because you have been charged with a criminal offense, been a victim of one or witnessed one. None of which is fun.

A crime is an offense against the public. Thus, the names of the state criminal cases, such as the ones you see on the news, are always titled “Com. v. Name” or “Commonwealth v. Name,” because it is the Commonwealth of Pennsylvania that is bringing the charges against you. There usually is a victim, who was hurt or who suffered damage or loss. That victim is often the Commonwealth's main witness. A crime gives rise to two potential actions—a criminal charge for violating public standards and a private action by the victim for the harm sustained. In a criminal case, a conviction can result in a jail sentence, supervision (probation), a fine and “restitution” (paying the victim for losses he or she suffered).

YOUR SAFETY COMES FIRST: As a potential victim, if you can safely run away from a situation, run away. If you cannot run away, it usually is safest not to resist because you could be more seriously injured or killed, but you must make that decision based on the circumstances. If you are accosted in a public place, screaming or making loud noise can discourage the perpetrator or attract the help of others. Home burglaries often take place when no one is home, but if you come home and suspect a burglar is inside, immediately go to a safe location, like a neighbor's house, and call the police. Do not try to apprehend the burglar yourself.

IF YOU WITNESS A CRIME OR ARE THE VICTIM OF A CRIME, call the police as soon as you can. When you do, identify yourself, tell them where you are and what happened to you or what you saw. If you or anyone else has been hurt, you should call 911 and ask for medical help. When police arrive, tell them as accurately as possible what happened or what you saw. Little details can be important, but avoid embellishing what you really saw.

You may also be asked to write down a statement of what you saw and sign it to verify that it is what you believe occurred. You may be asked to tell the story of what happened more than one time and may need to give some of your belongings to the police so they can conduct tests on them.

IF STOPPED WHILE DRIVING, STOP. Stop the vehicle in a safe manner, putting your turn signal or hazard lights on to show your intent to stop, especially if you need to drive a little way to be able to pull over safely. Stay still and keep your hands on the steering wheel until the officer approaches and gives you instructions. If it is dark, consider turning the interior light on before putting your hands on the wheel to wait for the officer. (Do not unbuckle your seat belt.) Tell the officer what you are doing before you do it to avoid any misunderstandings or sudden movements. (Tell the officer where your information is and/or ask permission to get it before reaching for the glove compartment or other area.) Obey instructions. If you do not understand an instruction or are concerned about following the instruction, let the officer know your concerns. You are not required to consent to a search, but getting in an argument with the officer may make things worse. Stay calm when advising that you do not consent but do not make any movements to resist if the officer insists on searching. If the search is unlawful, it can be addressed in court. Be Polite and do not lie to the officer. You have the right to remain silent but lies may be held against you in a criminal proceeding. If the officer asks if there are any weapons in the vehicle, advise the officer of any legal firearms, etc. and their location and do not move until instructed so that the officer does not feel threatened. (Do not transport or possess illegal firearms or weapons.)

If the police officer suspects you may be under the influence of drugs or alcohol, you can be required to participate in a field sobriety test involving physical dexterity or instructed to take a breathalyzer test. You do not have to submit to either but, if you refuse, you lose your driver's license for one year. A police officer must now obtain a search warrant before requiring you to submit to a blood alcohol test. However, you may also lose your driver's license if you do not consent to a blood test.

If you are issued a traffic citation, you will likely have to pay a fine and may receive points on your license. When you receive a traffic citation, you may choose to either plead guilty or not guilty. If you plead guilty, you will need to pay the fine and any fees that are included. If you plead not guilty, you will need to attend a hearing to present your case before a judge. It is important to either pay the ticket or appear in court to plead not guilty. If you do not respond to the citation or appear in court within your allotted time, the court may issue a bench warrant for your arrest or suspend your driver's license.

It is important to know how many points you have on your license. If you receive six points on your license, you will be required to take a special written examination in

order to keep your license. If you pass the test within 30 days of receiving the notice, two points will be removed from your driving record.

If you reach six points a second time, you will be required to attend a departmental hearing. For the third and subsequent times that you reach six points, you may have to attend additional departmental hearings and may have your license suspended.

For every 12 months of driving without a traffic violation, three points will be removed from your license. Once you have maintained zero points on your license for a period of 12 months, any future addition of points will be treated as a first offense.

There are some traffic offenses which may cause you to lose your license even without any points on your license. These include things like: operating a vehicle under the influence of alcohol or drugs, fleeing from a police officer, racing on highways, driving when your license is already suspended or revoked, and failure to stop for a school bus or at a railroad crossing when the crossing gate or barrier is in place. Additional information on traffic violations can be found at www.penndot.gov.

IF YOU ARE ARRESTED, tell the police your name, address and telephone number. Do not resist arrest or struggle with the police or provide false information because that becomes a separate crime. After an arrest, you may be searched, photographed and fingerprinted. You can answer other questions, but you may refuse to make further statements to police without your lawyer being present. You have the right to speak with your lawyer.

UNDERAGE DRINKING AND DRIVING UNDER THE INFLUENCE: It is illegal for you to consume beer, liquor or any alcoholic beverage until you reach 21 or, at any age, to possess or consume a drug or substance that is illegal. If you are convicted of underage drinking, you will be fined for that offense, and your driver's license will be automatically suspended: 90 days for the first offense and longer for subsequent offenses. If you are underage and get convicted of driving while under the influence, you not only face penalties for the offense, but your driver's license will be automatically suspended for up to one year. A first offense involves a minimum fine of \$300 and two days in jail. Penalties sharply increase for later convictions.

DRUG CRIMES: If you are convicted of having knowingly possessed a controlled and prohibited drug or drug paraphernalia, you commit separate crimes. The range of fines and imprisonment depend upon the type and amount of drug involved. An even harsher sentence will occur if you are convicted of selling drugs.

A number of crimes, many unrelated to driving, can lead to the automatic suspension of your driver's license. For example, most convictions involving drugs or alcohol will result

in suspension of your driver's license. These types of laws may change over time. The license is a "privilege," not a right—a privilege the state can take away from you.

You can get in trouble even when others leave illegal items in your custody, car or apartment. Real friends do not put each other in that position. Being a "pal" can get you into trouble. Your future is more important than that. Make wise choices because even being a passenger in a car where someone else possesses or has placed illegal items can potentially result in your arrest or a criminal charge asserted against you that can impact your life in the short-term or long-term.

The consequences for convictions related to drugs can range from loss of your driver's license to fines, probation and imprisonment.

You can also get in trouble for having, using or providing alcohol to others. If you are under the age of 21 and consume alcohol, you can get in trouble for possessing the alcohol while underage, as well as for consuming the alcohol. If you are over the age of 21, you can get in trouble if you have too much alcohol in your system while driving a vehicle or even if you appear to have consumed too much alcohol and are in a public place. You can also get in trouble if you provide alcohol to people who are under the age of 21. The consequences for convictions related to alcohol are similar to those related to drugs and can include loss of your driver's license, fines, probation and imprisonment.

Both drug and alcohol crimes may also require you to participate in a treatment program if a judge is concerned your behavior is harmful to you or another and believes a treatment program may be helpful for you. Treatment programs can range from attending meetings with other drug and alcohol users to spending time in a facility with professional medical help.

The Court Process:

The judicial process can seem very complicated due to the multiple stages and players involved. Each player likely views the entire process very differently.

If you are accused of committing a crime, you would enter the judicial process as the defendant in a criminal case. The police will collect evidence to show that you have committed the crime. The opposing party in a criminal case is the government who is represented by a prosecutor or district attorney. The prosecutor will present the evidence collected by the police, and you will need to either show that the evidence does not show that you committed the crime or that their evidence is faulty in some way. If you are accused of committing a crime, you have a right to have an attorney represent you in court in order to help you defend yourself against the evidence. It is important to stay calm during the court proceeding and to be honest with your attorney so they can represent you properly.

If you are not accused of a crime, but were present when the crime happened or observed the crime occurring, you are a witness to the crime and may be asked to tell what you saw. As a witness, you may be interviewed by the police while they are gathering evidence to determine what occurred. You may later be asked to appear in court to tell your story again. If you are asked to appear in court, you will likely receive what is called a subpoena. A subpoena is a document used to collect information during a court proceeding. Subpoenas can be used to request documents and items in addition to requesting that a person appear at a certain time to tell their witness story. If you receive a subpoena to appear in court, you should prepare yourself to tell your story. If you have any concerns about sharing your story, you can contact an attorney to help you understand the process and any potential consequences it might have for you.

A person against whom a crime is committed is called a victim. In the criminal court process, a victim often acts very much like a witness. They share the details of what happened with the police while evidence is being collected and then again share their story with the court. As a victim, it is important to cooperate with the police and prosecutor as much as possible in order to ensure that the correct person can be held responsible for the crime.

In court, you may be treated differently if you are an adult or a juvenile/minor. A minor is a person who is under the age of 18. If you are a minor who is a witness or victim of a crime, there may be protections and changes to the way you testify and tell your story. If you are a minor who is accused of committing a crime, you may have less serious penalties for your behavior and may have opportunities to keep your criminal convictions sealed or "secret." This is because the court system wants to allow minors the opportunity to change the way they are living without as many or as harsh consequences. However, it is important to know that even if you are under the age of 18, you can be treated as an adult in court depending on what crime you have committed or what activities you are involved in.

5. MAKING IT WORK

Being an adult means having more responsibilities to consider than you may have thought. The purpose of this book is not to scare you but to help you understand that there are many issues in the real world that you will have to deal with eventually. The better you deal with them, the happier and more successful you will be. It is important that we have rights. Everyone else has those rights, too, which requires that we respect them and understand that we are all in the same boat. We need to understand our rights and the rights other people have—and then work to protect them all.

As this book has tried to point out, adults are responsible for what they do. Every decision involves consequences—some good and some bad. Just as we expect to receive something from a bargain, so do the other people involved in it.

If you consider all that might be involved in something, it will be easier to balance the good and the bad and address in advance issues that may come up. If you consider how a purchase will affect your budget and whether you really can afford it, you may decide to wait before making a purchase. This way you can avoid financial problems. We are bound by the contracts and notes we sign, even if we do not read them first. So, by knowing what you expect the document to say and making sure it says that, you can avoid mistakes.

Something may seem like a great idea or something you should do, but if that something might lead to you being arrested and charged with a criminal offense, it is not something you should participate in.

Voting

We do not live in a democracy. We live in a democratic republic. Whether you choose to get involved or not, those who do vote elect a president and congress members to represent us on the federal level; a governor, legislators and other officeholders on the state level; and, in the municipality in which we live, county commissioners or executives, a mayor or supervisors, and members of councils. Those elected have the authority to act as our representatives. These elected officials represent you even if you forgot to vote or felt it was not worth your time.

REGISTER: Once you reach age 18, you are eligible to vote. Registering to vote is easy online at <https://www.pavoterservices.pa.gov/Pages/VoterRegistrationApplication.aspx>. You can also register by mail on a form available at the post office, courthouse and many other places. Generally, as long as you register at least 30 days in advance or by the deadline set for each election, you will be eligible to vote in the next election. If you move within Pennsylvania, use the same form to change your address and registration district (which affects where you vote).

When you register to vote, you decide which political party, if any, you want to be affiliated with. If you register as a Democrat, Republican or other party having nominees elected, you are eligible to vote in the primary election for that party. If you register to vote as an independent, currently you may vote in the general election but not in the primary election.

PRIMARY ELECTIONS are held each spring. Primary elections give us a say as to whom our party nominates, a decision that can make a real difference in terms of the general election.

THE GENERAL ELECTION: Each year on the Tuesday following the first Monday in November, the general election is held to fill offices. General elections typically involve

only nominees of registered political parties, though we have the right to write-in the name of someone else.

TERMS OF OFFICE: On the federal level, members of the House of Representatives are elected every even numbered year. Senators are elected every six years. The president is elected every four years. On even numbered years other than leap years, Pennsylvania elects a governor. State representatives are elected every two years, and state senators are elected every four years. Different state positions are up for election every even-numbered year. Odd-numbered years are those in which local offices are filled, including county officials, judges, mayors, supervisors, council members and members of school boards. Judges on Pennsylvania's appellate courts are elected and stand for retention in odd-numbered years.

The people holding all of these offices make decisions that affect you. Members of the U.S. Congress vote on federal laws and budgets. State representatives and senators vote on Pennsylvania laws and its budget. School boards make decisions that affect the educational opportunities offered and their costs. Judges decide disputes and on the appellate level, review lower court decisions and the validity of laws. County and municipal officials are responsible for providing a range of services and overseeing the development of land in their community.

GO TO THE POLLS: In Pennsylvania, polls are open each election day from 7 a.m. until 8 p.m. Voting takes very little time, although certain times of day might have longer lines. You have to go to the poll for the election district in which you live and where you are registered. There, you sign a voter's certificate. As long as you are in the right district and your signature matches that on file, you will then be instructed on the voting procedure for your district, but keep alert for any voting law changes before you head to the poll. Depending on your location, this could include a touch screen system, a voting booth or a paper ballot. Generally, you only need to show photo identification the first time you vote.

Only about one-half of the people eligible to vote actually register to do so. Of registered voters, one-half or more do not vote. That means that important decisions involving elections, retention of judges, and provisions of our state's constitution are decided by 25% or less of those eligible to be involved.

We are all lucky to live in a country that offers us the right to vote. With that right comes a responsibility to become an informed citizen and participate in the process. The better informed we are and the more we vote, the more attention those running for and holding office will pay to us—and the more likely it will be that we will have the government we want.

Selective Service Registration

Federal law requires that all men, upon reaching age 18, register with the Selective Service System, which maintains records of those eligible for military duty should an actual “draft” become necessary. There is no draft today, and Congress would have to pass a law to create a draft.

TO REGISTER, go to the U.S. Postal Service and ask for a Selective Service registration form, which asks for your name, address, date of birth and Social Security number. Give the completed form to a postal employee. Until you reach age 26, you must notify the Selective Service System of any change of name or permanent address within 10 days. You can also register online and through the mail. You can get information at: <https://www.sss.gov/Home/registration>.

IF YOU FAIL TO REGISTER, you commit a federal crime and are subject to a fine of up to \$10,000 and five years imprisonment. You could also be denied financial aid for college, and men have to indicate on federal financial assistance forms if they are registered.

Social Responsibility

One of the most important lessons to learn is how our actions can affect others. Having a strong social responsibility means recognizing how your behavior affects others and making choices with that in mind. Often people will do something to damage the property of another. Damage to property means to change property or items that belong to someone else. You may be familiar with graffiti from seeing it painted on buildings and, although graffiti may often look very nice, it is damage to someone else's property since it is done without the owner's consent. Changing property that belongs to another person can impact the value of the property. If the damage is done to a building or house, it may also impact the value of the houses or buildings nearby. This is also true if you own a house and do not take care of it. When houses and buildings decrease in value in an area they can often increase the instance of crime and decrease safety. It is important to be respectful of the property of others in order to help keep neighborhoods and communities safe for yourself and for future generations.

Social Media

In the age of text messaging, email and social media, information and opinions can travel rapidly, be shared easily and have lasting consequences. People can share useful information with strangers and stay in touch with family and friends like never before. However, risks exist with security and privacy and how you can delete or retract information. Learn how to safeguard your personal data and how to assess credibility of information you receive. Consider any negative consequences that could result from a post and whether you would care if loved ones, employers or law enforcement saw your post. Digital communications (whether direct to one person via text or email or posted to an account accessible by friends, followers or the public at large) may be a crime if

considered threatening, harassing or lewd by the recipient or someone else who sees them. Digital communications leave your control as soon as you send, post or share them, permitting the recipients to share them with whomever they wish, including law enforcement and people making decisions about whether to admit you into their school, award you a scholarship or hire you. It doesn't take long via a search of the internet to find many stories of people's lives or careers that have been ruined by something they wrote, a picture or video they made, or a post they shared recently or many years in the past when they were young like you. Thus, exercise caution and think before you click, comment, or share. As in other areas of your life, be respectful of others and responsible for your actions.

Getting Involved

When you get involved in politics or volunteer, you will meet different people, learn from others and develop a better idea of what is important to you—the issues you really care about. Many organizations survive only with caring volunteers. Government affects all of us and elections make a difference. Candidates for office need the help of people who believe in them. You can make a difference by getting involved in a cause you consider important. You will find that you gain as much as you give.

Please remember

Stepping Out has been written for general information purposes and should not be construed as legal advice. Legal advice should be given only upon consideration of facts particular to an individual case and the law applicable to it. For this reason, we recommend strongly that you consult with your attorney regarding any legal problem before taking any action. The contributors to *Stepping Out* have attempted to accurately summarize certain areas of the law as it currently exists. However, the booklet is not intended to supplant the specific advice of your attorney after consultation on the specific facts of your case. **The Pennsylvania Bar Association, the Berks County Bar Association, the Erie County Bar Association and the local bar associations in the Commonwealth of Pennsylvania, its officers, employees and members specifically disclaim any and all liability for actions taken or omissions made in reliance on the statements made in *Stepping Out*.**