

ANNUAL FINANCIAL CHECKUP

Set up your household budget

Now is the time to review last year's income and expenses to identify ways to improve your financial situation. Making a household budget is one tool to accomplish your financial goals. Try mint.com or ynab.com for budgeting help.

Be sure to check recurring charges to eliminate old subscriptions and fees for services that you no longer need. And automate your payments to eliminate late payment fees.

Increase your savings

Strive to have six months' household expenses saved for an emergency with no carrying balances on credit cards. Include increasing your savings and paying off old credit card balances in your household budget.

Review your withholding

If you normally receive federal refunds over \$2,500, you should consider reducing your withholding. With tax-related identity theft becoming more prevalent, the IRS may hold large refunds for months to verify your identity. If you normally have a balance due, increase your withholding or pay estimates to reduce penalties.

Be aware of potential changes to the withholding tables due to the new Tax Cuts and Jobs Act. And don't assume that the new tax law will reduce your income tax bill.

Protect yourself from Identity Theft

You may request free copies of your credit report once per year. Visit annualcreditreport.com to request a copy from the three reporting companies. And consider putting a freeze on your credit reports if you do not need new credit.

Check the adequacy of your insurance

Do you have life, homeowner's, auto, health, long-term disability, long-term care, or umbrella liability policies? Are you adequately covered, or do you have too much insurance? And have your insurance agent review your homeowner's and auto policies for cheaper alternatives with similar coverage.

Review your retirement plans

Be sure to participate in your employer's retirement plan. Most plans include a matching contribution from your employer. Contribute enough to receive the full match.

Update your beneficiaries

You should regularly check the beneficiaries of your retirement plans and life insurance policies for changes in your family situation. Most taxable investment accounts allow you to designate beneficiaries. These should also be reviewed regularly. Finally, you should review property held as joint tenants with rights of survivorship.

Review and update your wills and other documents

You should always review your estate plan whenever there has been a change in your family situation due to marriage, divorce, children, etc. Typically, you should have a current valid will, a power of attorney, and a living will or other health care directive.

You should review these documents periodically to ensure that (1) your named executors and powers of attorney are still capable of performing their duties, (2) you have named guardians for your minor children, and (3) your wills and health care directives reflect your current wishes. Be sure that your unmarried adult children have these documents as well, as you cannot legally make these decisions for your 18-year-old children.

Review your Social Security account

All clients with W-2 and 1099 income should create an online Social Security account and review their earnings information to ensure that all earnings are properly reported. Visit SSA.gov/myaccount to create your online account.