

Your Financial



Planning Calendar

Whether or not you made financial New Year's resolutions, you no doubt want to improve your bottom line this year. With that in mind, we have some suggestions for bolstering your finances each month, ranging from budgeting in January to checking up on your insurance coverages in April to reviewing your estate plan in October.



JANUARY

Map out a spending and savings plan. Budgeting may seem like a bore, especially as the winter doldrums set in. Rather than think of it as a financial killjoy, view it as a way to ensure that you have enough money for what you truly value and enjoy—say, a secure [retirement](#) and a vacation or two every year. Keep essential expenses, such as for a mortgage or rent, utilities, insurance, and groceries, to about 50% of your spending.

Plenty of tools are available to keep you on target. Mint is a go-to app for creating a customized budget, including charts to visualize your cash flow. With [Goodbudget](#), you set limits by designating virtual envelopes of cash for each budget category. For a detailed budget line by line, check out Kiplingers interactive [Household Budget Worksheet](#).

Set up retirement account contributions. Decide how much you can afford to direct to retirement savings. You can contribute up to \$19,500 to a 401(k) in 2020, plus \$6,500 in catch up contributions if you're age 50 or older. The IRA and ROTH IRA contribution limit is \$6,000, plus \$1,000 in catch-up contributions for those 50 and older.



FEBRUARY

Flowers, chocolates and financial talks. Valentine's Day is this month. Unromantic as it may sound, **sitting down with your sweetheart to talk finances is key to a more fulfilling—and maybe longer-lasting—relationship.** In a survey from personal finance website, MagnifyMoney, 21% of divorced couples said that money was the cause of their split. The higher their income, the more likely money was the culprit.

All couples, whether you are just getting serious or have been married for years are wise to have regular money talks, say, each month or quarter—to stay on the same page about their budget, investments and goals. You can test your savvy when it comes to money and relationships with Kiplingers [Couples & Money Quiz](#).

Plan your summer vacation. If you're traveling to a popular destination this summer, book lodging before it sells out. Now is also a good time to set up fare alerts for flights with a tool such as [Google Flights](#), [Hopper](#) or [Kayak](#). But don't buy yet—you may get the best price if you wait to book domestic trips about 45 days in advance and international trips about 75 days in advance, says Hayley Berg, of Hopper. By the end of January, your 1099 and W-2 tax forms should be in the mail. By March you should have all your investment tax statement. Avoid the last-minute scramble and submit your tax return now.



MARCH

Your investments and market outlook. If the bull market continues its record-breaking run, its 11-year anniversary will be March 9. But inevitably, the bear will come out of hibernation at some point. Be sure your asset allocation that reflects your appetite for risk; to avoid hasty decisions at the wrong time. Ignore day-to-day chatter on CNBC (or from your friends) that may sway you from your plan; to never attempt to time the market; and to hold only investments that you understand.

If you work with an adviser, you may have already drafted a similar document, known as an investment policy statement. It's designed to clarify your investment strategy and goals, providing a guideline for both you and your adviser.

Clean out your FSA. If your employer offers a grace period to use up flexible spending account funds from the 2019 plan year, it expires March 15. See a list of eligible medical expenses at <https://fsastore.com/fsa-eligibility-list.aspx>.

Kick off IRA withdrawals. With the new IRA withdrawal rules, you don't have to start your Required Minimum Distribution (RMD) from your IRA, until 72 now. If you turned 70 ½ prior to 2019, you still have to continue your RMD.



APRIL

Review your insurance coverage. Reviewing and maybe even re-shopping your auto and homeowners insurance every year could save you premiums over the long run. Sites such as [Insurance.com](https://www.insurance.com), [Policygenius.com](https://www.policygenius.com) and [InsuranceQuotes.com](https://www.insurancequotes.com) provide quotes from several insurers, or find an independent agent at www.floodsmart.gov, you can look up flood risk in your area and find providers of federally backed flood insurance.

Fund your IRA. You have until tax day, April 15, to make a 2019 contribution to a traditional or Roth IRA and to a health savings account. You can stash up to \$6,000 in an IRA or ROTH for 2019 (\$7,000 for those 50 and older).

Save the earth—and your money. April 22 is Earth Day. If you are needing new appliances be sure to consider switching to Energy Star appliances, which can trim your utility bills. If you'd like to install alternative-energy equipment, such as solar panels or a geothermal heat pump, act soon. You can deduct 26% of the installation cost on your federal tax return for 2020, or 22% for 2021.



MAY

Spring cleaning for your financial records. With tax season behind you, take time to sift through your records. It's wise to hold on to copies of your tax returns for at least 7 years. Typically, the IRS has three years from the date you file your tax return to start an audit, so you should keep supporting documents that long. (If you're self-employed, the IRS has 6 years to audit you.)

You can get rid of monthly or quarterly brokerage statements until you check them against year-end statements and 1099s. You can usually trash receipts for purchases, ATM withdrawals and bank deposits after you match them with your monthly credit card and bank statements. Run documents you're discarding through a shredder.

Check tax withholding. If you got a big refund or owed a hefty bill after filing your tax return for 2019, adjusting how much tax your employer withholds from your paycheck should put you on a more even keel for 2020.

Prep your home for the summer. Before heat and storms come your way, make sure your air conditioner and outdoor irrigation system are in working order. To be ready for storms, trim any tree branches that are at risk of falling onto your property, clean the gutters, and inspect your roof for missing or damaged shingles.



JUNE

Keep tabs on your credit reports. If you haven't claimed your free annual credit reports in the past 12 months, get them from Equifax, Experian and TransUnion at www.annualcreditreport.com. Review them for errors or signs of fraud, such as credit accounts that you don't recognize. Sign up for alerts of significant changes in your reports with services such as CreditKarma.com and FreeCreditScore.com.

If you were affected by Yahoo's data breaches between 2012 and 2016, you have until July 20 to claim two years of free monitoring of your reports from all three bureaus (or a cash payment, if you already have monitoring) at www.yahoodatabreachsettlement.com.

Whip yourself into shape—at a discount. With New Year's resolutions in the rearview mirror and warm weather beckoning fitness buffs outdoors, gyms often run specials during the summer, such as waived fees for new members or lower monthly rates.



JULY

Midyear tax checkup. See whether you can take steps to lower your taxable income for 2020. One idea: Boost contributions to tax-advantaged accounts, such as a 401(k), IRA or [health savings account](#). If you're 70½ or older, you can transfer up to \$100,000 per year directly to charity without the distribution counting toward your adjusted gross income. Plus, the transfer qualifies as a required minimum distribution.

Grab a great deal. Although Amazon keeps the date hush-hush, the retailer's annual Prime Day sale has always taken place in July. Members of Amazon's Prime service (\$119 a year) get access to discounts on a variety of products—especially Amazon's own items, such as Kindle e-readers, Fire TVs and Echo smart speakers. Competitors such as Walmart and Target often launch their own sales, too.



AUGUST

Pay down debt. If high-interest debt is weighing on your balance sheet, make a plan to wipe it out. Plotting a strategy now will help you avoid falling further into debt during the upcoming holiday-shopping season.

Credit card debt, which carries an average rate of about 17%, should be a priority. Transferring the balance to a card with an introductory 0% rate or a low ongoing rate may be a good move. Or consider paying it off with a personal loan or home-equity line of credit, which likely comes with a lower rate than your credit card.

If you have high-rate private student loans, you may benefit from refinancing them. Variable rates from online lenders recently ran as low as about 2% for borrowers with great credit and a healthy debt-to-income ratio. Sites such as [SuperMoney.com](https://www.supermoney.com) and [LendingTree.com](https://www.lendingtree.com) let you compare offers from various lenders. You may be able to lower your federal loan rate by refinancing, too, but you'd lose key protections.

Back-to-school bargains. Several states have a track record of waiving sales taxes on items such as clothing, computers and school supplies, typically during a weekend in August. You can also check sites such as [DealNews.com](https://www.dealnews.com) and [Offers.com](https://www.offers.com) for updates on the best deals.



SEPTEMBER

Save for college. As students hit college campuses this fall, consider opening a [529 college-savings plan](#) for any of your children (or grandchildren) who are likely to have higher-education expenses in the future. Contributions to a 529 grow tax-free, and withdrawals aren't taxed if you use them for qualified expenses, such as tuition, room and board, books, and computers. You can choose a 529 plan from any state, but many states offer a tax credit or deduction on contributions for residents who use their own state's plan. See how the plans stack up at kiplinger.com/links/529s.

If you live in one of the 16 states that don't offer a tax break—or if your state provides a tax break regardless of which state's plan you choose—it's worth comparing options from around the country.

Winterize your home. Protect against upcoming cold weather by tuning up your heating system, caulking around windows and doors, draining exterior faucets and reversing your ceiling fans.

Get a jump on holiday [travel](#) plans. Heading out of town for Thanksgiving or Christmas? You may save money if you book your flights before Halloween. "Prices remain fairly stable in September and October," says Hopper's Hayley Berg.



OCTOBER

Put your [estate plan](#) in order. National Estate Planning Awareness Week is in October. What better time to make sure your will and other estate documents are up to date? It's especially important if you've recently gotten married, had a child, experienced the death of a family member or had a significant change in finances—say, a big windfall. If your estate plan is simple, you may get away with generating your own will at a site such as [LegalZoom.com](#), or Susie Orman's Estate documents [SuzeOrman.com](#), which offers packages starting at \$90. Otherwise, it's best to hire an attorney. And the more complex your situation, the more you'll benefit from the help of a wealth or estate planner, too.

Other documents to create or update include a durable power of attorney, allowing a representative you designate to handle your financial and legal matters if you become incapacitated; a durable medical power of attorney, through which an appointed person can make medical decisions for you; and a living will, which outlines your wishes regarding medical treatment if you can't communicate them yourself. Also check that you have listed the appropriate beneficiaries for your [retirement](#) and financial accounts and life insurance policy.

Fill out the FAFSA. The Free Application for Federal Student Aid for the 2021–22 school year should be released October 1. You'll have until June 30, 2021, to submit the form for federal aid, but fill it out as soon as possible because some states and schools award money on a first-come, first-served basis or impose deadlines earlier than the federal one.

Tax-return deadline, part two. If you got an extension to file your 2019 tax return, it's due October 15. And note that you should have paid at least 90% of any tax owed for 2019 by April 15, 2020, to avoid interest and a penalty.



NOVEMBER

Make the most of your 401(k). Rule number one if you have an employer-sponsored retirement plan: Contribute at least enough to capture any match that your employer provides. Next, review your investments. Also check whether your company offers a Roth 401(k) option. Roth contributions are taken from your paycheck after taxes, but withdrawals are tax-free in retirement.

One other task: **Review transactions from your 401(k) over the past couple of years to ensure that there are no unauthorized withdrawals.** “We’ve seen heavy activity of fraud and impersonation happening in the 401(k) arena,” says Marina Edwards, a senior director for consultant [Willis Towers Watson](#).

Choose a health insurance plan. Your employer will likely initiate open enrollment for benefits in the coming weeks; it is also the season when you can pick a plan from the individual market and [Medicare](#). Evaluate your options to get the best medical care at the lowest cost. And it’s a good time to schedule any medical appointments that you need before the end of the year, especially if they’re covered as preventive care or you’ve met your deductible for 2020.

Designate year-end tips. As you budget for holiday gifts and [travel](#), don’t forget to set aside a little extra for those who provide great service to you throughout the year—for instance, your hairdresser, child care (or adult care) provider, cleaning person or dog walker.



DECEMBER

Take your [required minimum distribution](#). If you're 72 or older you have until the end of the month to take your 2020 required minimum distribution from an [IRA](#).

Shop for a new car. The end of the year is prime time to score a bargain on a new car as dealers try to reduce inventory and clear their lots of vehicles from the outgoing model year. Buyers get an average of 6.1% off the sticker price in December—the highest discount all year—and the best incentives, according to Edmunds.com.

Be charitable with a donor-advised fund. A donor-advised fund allows you to set aside money for charity now—and take a deduction on your tax return for 2020, if you itemize. But you can decide later which nonprofits will receive the money. You can contribute assets, including cash, stocks and mutual funds, and the money grows in the account through mutual funds or investment pools. If you have stocks or mutual funds that have appreciated in value, consider putting the shares in your donor-advised fund—you won't owe capital gains tax on the increased value, as you would if you sold them. It's a great way for families with multiple generations to decide together how to distribute their charitable dollars. Search for foundations in your area at www.cof.org/community-foundation-locator.

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