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## Marc A. Hebert's 'Money \$ense': Time for a mid-year financial checkup

By Mark A. Hebert  
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YOU'VE DONE what you were supposed to do financially at the start of the year. You established or reviewed your financial plan to verify that its goals and strategies were still appropriate, rebalanced your investment portfolio, made sure your estate plan was in place, checked your insurance coverage, and so on. Give yourself a round of applause!

You probably don't want to think about your financial plan until next January. But, given all of the changes happening in the world, you might consider doing a mid-year mini-review to ensure that you are still on track.

You may even want to tweak a few things. Here are some places to start:

**Taxes.** Did you receive a sizable refund or owe a chunk of money this tax season?

If either one happened, now is a good time to correct that for 2020 by projecting your taxes for the year and changing how much you are having withheld from your paycheck or paying in estimated tax payments.

If you need help, you can use the IRS Tax Withholding Estimator on the IRS website: **IRS.gov**. If a change is warranted, file a new W-4 with your employer.

**Budget.** Review your household budget or spending plan. Are you on track? Do you have a good handle on where you are spending your money? Do some categories need adjustment? Are you saving enough money from each paycheck towards retirement or your other goals?

**Retirement accounts.** Have you received a raise this year that might allow you to put more into your retirement plan at work?

Or, if a plan is not available at work, are you contributing more to your individual retirement account (IRA)?

Make sure you check the contribution limits and that you are getting the maximum employer match, where available, that you can possibly receive.

Check out the availability of a catch-up contribution as well.

**Fringe benefits.** Many companies hold open enrollment in the fall for fringe employee benefits, so this summer is a good time to start thinking about them, especially health care.

Your employer may have changed health care plans, for example, or the existing plans may have wrinkles, prompting you to switch plans.

Perhaps your family circumstances have changed, such as the addition of a child, so a new plan is preferable.

**Flexible spending accounts (FSA) for health care.** These employer-sponsored accounts allow you to divert wages into an FSA account tax-free and take money out of them tax-free to pay for qualified out-of-pocket medical expenses. They can be a very good deal for employees.

The catch is that you forfeit any balance not spent within a certain time limit. Review your balance and plan for next year's account contribution.

**Investments.** You should review your portfolio to see if you want to make some tweaks or need to rebalance it back to a chosen allocation. Does it still line up with your financial goals, time horizon and risk tolerance?

One tweak to consider is for taxes. The decision to buy or sell an investment should generally be based on your need and the economics of the investments themselves, not taxes.

But if you have sold off some winners this year, you may want to consider offsetting some of those taxable gains by selling off some losers.

**Charitable donations.** Yes, you can wait to the end of the year to make planned donations.

But consider avoiding the rush, which can lead to mistakes, and get a head start with your planning now.

Perhaps appreciated securities will make the perfect donation.

Perhaps a Qualified Charitable Distribution from your IRA makes some sense.

Now is the time to explore your options.

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