

# Employer Sponsored Retirement Plans



By [Abraham Dugal, CFP®](#)

Employers play a crucial role in helping their employees save for retirement by offering them an employer sponsored retirement plan that the employees can contribute to, and the employers may even offer a matching contribution to incentivize them to save. The most well-known of these plans are known as 401(k) plans, which allow for employees to contribute money from their earnings on a pre-tax or post-tax basis. The employer can decide whether they would like to make an employer contribution or matching contribution, but they are not required to do so. 401(k) plans offer several different options and are the most customizable retirement plans available.

Savings Incentive Match Plan for Employees, more commonly known as SIMPLE IRA plan, have fewer features but also cost less to the employer to implement and on an ongoing basis. The biggest difference between SIMPLE IRA plans and 401(k) plans are that SIMPLE IRA Plans require that the employer provide a matching contribution to eligible employees. This can be achieved in one of two ways: 1) contribute 2% of all eligible employees' wages whether the employees contribute their own funds or not, or 2)

match all eligible employees up to 3% of the employees' contributed earnings to the plan. The SIMPLE IRA is available to all employers with fewer than 100 employees.

In June 2021, Maine signed into law the Maine Retirement Savings program, which will require that all businesses with 25 or more employees will have to offer a retirement savings plan to their employees by April 1, 2023. Those with 15-24 employees will need to offer a plan by October 1, 2023, and finally employers with 5-14 employees will need to make offer a plan by April 1, 2024. Allen Financial Group is here to help!

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# ACA Pay or Play Rules: Penalties Updated

**ACA Pay or Play Penalties Increase for 2023**

On Aug. 16, 2022, the IRS updated its 2023 ACA employer shared responsibility (penalty) rules. The adjusted \$2,089 penalty amount is \$2,089 and the required \$1,900 penalty amount is \$1,900.

**Pay or Play Penalty Calculations**

An applicable employer (ACE) is only liable for a penalty if at least one full-time employee remains a subsidy for Exchange coverage. Employees who are off-site, off-duty, minimum value coverage are generally not eligible for these subsidies.

Depending on the circumstances, one of two pay or play penalties may apply: the **employer penalty** or the **employer penalty**.

Under Section 4980D(a), an ACE will be subject to a penalty if it does not offer coverage for "substantially all" (generally at least 70% of its full-time employees) and dependent and any full-time employee remain a subsidy toward their Exchange plan. The monthly penalty assessed under Section 4980D(a) is equal to the **ACE's number of full-time employees (times 30 multiplied by one month at \$2,089 per applicable month**.

Under Section 4980D(b), ACE's offering coverage to substantially all full-time employees (and dependents) may still be subject to a penalty if at least one full-time employee obtains an Exchange subsidy because the ACE did not offer coverage to all full-time employees or the ACE's coverage is insufficient or does not provide minimum value. The monthly penalty assessed under Section 4980D(b) for each full-time employee who remains a subsidy is one-fourth of \$2,089 (or **adjusted for any applicable month**.

However, the full penalty is limited to the 4980D(a) penalty amount.

**Inflation Reduction Act Contains Health Reforms**

On Aug. 16, 2022, President Joe Biden signed the **Inflation Reduction Act** into law. While this law is primarily aimed at fighting inflation and reducing tax for Americans, it also contains a number of reforms that will impact health coverage. These reforms have suggested effective dates and will be implemented over the next several years.

**Overview of the New Health Reforms**

The health reforms primarily impact those with Medicare coverage. Specifically, the law implements the following measures:

- It allows the Department of Health and Human Services to regulate the prices of some Medicare drugs, effective in 2023 for 35 drugs covered by Medicare, increasing to 20 drugs in 2025.
- Beginning in 2023, the cost of insulin will be capped at \$35 per month for diabetes covered by Medicare.
- Beginning in 2023, out-of-pocket prescription drug costs will be capped at \$2,000 per year for Medicare beneficiaries.
- The law also implements a temporary extension on increased health insurance subsidies for coverage purchased through an Exchange. These enhanced subsidies were originally provided as part of the **Consolidated Appropriations Act, 2021** and were set to expire at the end of 2022.

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This month's Benefits Buzz discusses updated penalties under the ACA's pay or play rules, as well as the health reforms that are

included in the Inflation Reduction Act.

On Aug. 16, 2022, the IRS updated its FAQs on the Affordable Care Act's (ACA) employer shared responsibility (pay or play) rules to include updated penalty amounts for 2023. The adjusted \$2,000 penalty amount is \$2,880 and the adjusted \$3,000 penalty amount is \$4,320.

[You can read more on this PDF.](#)

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## Your Guide to Charitable Giving Through Crowdfunding

As fall quickly approaches, so do the seasons of giving thanks, giving gifts, and for many, giving *back*. In fact, according to the [2021 Charitable Giving Report by the Blackbaud Institute](#), a cloud software company serving the nonprofit and social good community, 37 percent of all charitable giving happens in October, November, and December. And, thanks to the widespread use of social media, crowdfunding—raising money from a large number of contributors—is becoming the easiest method of soliciting funds for charities and personal causes.

The report also determined that online giving has grown 42 percent over the past three years, with a [9 percent increase in 2021](#) alone. So, whether you're inspired to donate by Giving Tuesday, a Facebook birthday fundraiser, a teacher's Amazon wish list, or a neighborhood family's GoFundMe page, the chance to donate is just a click away. But there is more you need to know before you click. When you plan to donate to any charitable

organization, including via social media, do your research. Here, we answer common questions about this accessible method of giving.

### **Is My Crowdfunding Donation Tax Deductible?**

Many crowdfunding sites have a symbol or other indicator that the organization is a registered charity and, therefore, tax exempt and eligible to receive tax-deductible contributions. You can also go directly to the organization's website to learn its tax status. In addition, the IRS has a tool called the [Tax Exempt Organization Search \(TEOS\)](#), which allows you to search any charity to determine whether it's registered as a 501(c)(3) organization.

This search can also help you find out if the charity has had its tax-exempt status revoked, which can happen if it hasn't filed the necessary paperwork for three consecutive years (among other reasons). Whether you write a check or donate through a Facebook fundraiser, a donation to a verified 501(c)(3) organization is tax deductible. Keep in mind that some charities, like religious organizations, aren't required to have 501(c)(3) status, but donations to them are still tax deductible.

A donation to an individual, on the other hand, is not. You may feel compelled to give money to a family having trouble paying medical bills via GoFundMe, or to a good friend who launched a campaign to finance a new product via Kickstarter. While those are likely helpful and much-needed donations, they're not tax deductible for the donor.

If you're itemizing deductions on your tax return rather than taking the standard deduction, be sure to keep receipts and detailed records of your donations. Check with your financial advisor for guidance on how to maximize your tax savings.

## **How Can I Tell If a Request for Donations Is Legitimate?**

While it's fairly easy to visit the IRS search tool or a charitable organization's website to research its tax status and government filings, individual or private recipients aren't as easily vetted. Unless you personally know the recipient or can somehow verify their need, it's wise to keep your giving to causes you trust. Of course, social networks do enable you to vet friends of friends, or view posts and comments that will help you to judge whether a cause is legitimate.

You can also look to the specific crowdfunding site to see if an organization does its own vetting. GoFundMe, for example, has a one-year guarantee wherein you can submit a claim through the site if you think you've contributed to a fraudulent fundraiser within that period. If its experts determine your donation went to an illegitimate cause (note: this determination is at the discretion of the site), you will be refunded in full.

### **What Percentage of Donations Actually Supports the Cause?**

This varies from site to site, and it's worthwhile for you to do some digging to make sure your gift has the largest impact. GoFundMe, for example, deducts a [transaction fee of 2.9 percent plus \\$0.30 per donation](#). Facebook doesn't charge transaction fees for donations to charitable organizations, but does deduct a [2.6 percent plus \\$0.30 processing fee](#) for donations to personal causes.

Check the details on the specific platform you're planning to use to help you determine whether it makes sense to donate through that site or another way. The charity website will also likely have a transaction fee to cover processing, but if you're skeptical that your funding will actually reach the intended organization, donating directly instead of through social media may be your safest bet.

## **Is Donating Through Social Media Instead of the Organization Beneficial?**

Donating with just the click of a mouse and the use of a credit card is the biggest benefit to this type of charitable giving. It also allows supporters to easily share fundraisers so they can inspire friends, family, and followers to donate to them as well. [More than \\$6 billion has been raised globally](#) through Facebook and Instagram for various causes—the reach is clearly wide. But, in terms of financial benefit to the giver, there is no significant difference between donating directly or donating via crowdfunding.

So, as fall approaches and you feel compelled to share your good fortune with those who are less fortunate, click the “donate” button to your heart’s content. Just remember to vet the site and the cause—and feel free to check with your financial advisor—before you do.

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# Potential Expansion of IRA Charitable Gifting Opportunity



By [Sarah Ruef-Lindquist, JD, CTFA](#)

Originally published at [Pen Bay Pilot](#)

Since 2006, individuals age 70  $\frac{1}{2}$  and older have been able to make direct charitable gifts from their IRA's. The Qualified Charitable Distribution ("QCD") provision was part of the Pension Protection Act of 2006, and has remained a smart charitable gifting option ever since. The dollar limit for any one or combination of multiple QCD's has remained \$100,000 per year per taxpayer age 70  $\frac{1}{2}$  or older.

The QCD has not been eligible to fund what are known as "split-interest" gifts. These are charitable strategies that involve a gift to charity and a stream of payments to a non-charitable beneficiary. Charitable Gift Annuities involve a gift to charity in exchange for a promise by the charity to pay the donor and perhaps another person a fixed dollar amount annually for life. The amount payable for life is determined by the age(s) of the individual(s) to be paid and the dollar amount of the gift.

The QCD has also not been eligible to fund either a Charitable Remainder Unitrust or Charitable Remainder Annuity Trust. These trust arrangements involve the payment of either a percentage of the value of the trust annually (in the case of the Unitrust) or

a fixed payment amount (in the case of the Annuity Trust) per year to a non-charitable beneficiary (usually the donor, or one or more family members), with the remainder being paid to one or more charities specified in the trust, after a term of years or upon the end of life of the non-charitable beneficiaries, again, as specified in the trust.

The Legacy IRA Act would permit a one-time QCD of up to \$50,000 from an IRA to a charitable gift annuity (CGA), charitable remainder unitrust (CRUT) or charitable remainder annuity trust (CRAT). This can be an extremely tax efficient option for charitably inclined individuals to support charity and their own financial plans.

Practically speaking, funding a trust with \$50,000 is not generally feasible. A donor could create a CRUT and make an additional tax-deductible gift with other assets, such as appreciated securities, and also make a \$50,000 gift using a QCD. This would not be possible under current IRS regulations for a CRAT.

For the establishment of a CGA, however, this provision offers a great opportunity for charitably-inclined individuals and the charities they support. Generally speaking, the rate that would be paid to the individuals under a CGA are far above most market offerings. Here is a sampling of some of the recently published rates from the American Council on Gift Annuities ([acga-web.org](http://acga-web.org)) that most charities follow in setting the rates they pay on CGA's":

<b>Age</b>	<b>Rates: Single Life</b>
70	5.3%
75	6%
80	7%



<b>Age</b>	<b>Rates: Single Life</b>
85	8.1%
90+	9%
<b>Ages</b>	<b>Joint Life</b>
70 and 73-75	4.9%
75 and 76-77	5.3%
80 and 82	6.1%
85 and 86	7%
90 and 91+	8.8%

These rates are significantly higher than those currently generated by many fixed-income investments like CD's, Treasuries or some bonds. Typically, a joint life annuity is created by two spouses, and the rates are slightly lower than those for single lives.

It also should be noted that using a QCD can reduce or eliminate entirely the Required Minimum Distribution for those age 72 and older, thus reducing the taxes ultimately paid that would otherwise be payable by the IRA owner taking the distribution.

For non-profit organizations, this could be a significant development if your organization offers charitable gift annuities as a strategy for gifts. For individuals age 70  $\frac{1}{2}$  or older, if you want to learn more, contact your legal and tax advisors about using a QCD of up to \$50,000 to fund a split-interest charitable gift.

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# Best Place to Work in Maine – 11 Years Running

Allen Insurance and Financial has been named one of the Best Places to Work in Maine. This is the company's 11th consecutive year on this list.

“Best Places results are based largely on the feedback of our employee-owners – what they have to say about our company. All of us have worked hard to maintain our place on the list for the past decade but given the personal and professional challenges we have all faced over the past couple of years, these results are more important, and gratifying, than ever,” said Michael Pierce, company president.

This statewide survey and awards program is designed to identify, recognize and honor the best places of employment in Maine, benefiting the state's economy, its workforce and businesses. The Best Places to Work in Maine list is made up of companies in three size categories: small (15-49 U.S. employees), medium (50-249 U.S. employees) and large (250+ U.S. employees). With its 90 employee-owners, Allen Insurance and Financial is in the medium size category.

Companies from across the state entered the two-part process to determine the Best Places to Work in Maine. The first part consisted of evaluating each nominated company's workplace policies, practices, and demographics. This part of the process was worth approximately 25% of the total evaluation.

The second part consisted of an employee survey to measure the employee experience. This part of the process was worth approximately 75% of the total evaluation. The combined scores determined the top companies and the final rankings. Best

Companies Group managed the overall registration and survey process in Maine and also analyzed the data and used their expertise to determine the final rankings.

Allen Insurance and Financial will be recognized in the Oct. 17 edition of Mainebiz where the 2022 rankings will be released for the first time.

“We participate in the Best Places program because it helps us learn from our employees. This feedback is invaluable because it helps us identify where we excel, and, most importantly, where we can improve,” said Pierce.

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# How to Read Your Insurance Policy



By [Dan Bookham](#) for [WorkBoat](#) magazine, August 2022

After being an avid reader of Workboat for many years it's my distinct honor to be joining my colleague Chris Richmond as a contributor to the monthly "Insurance Watch" column. For my first go around I figured it makes sense to start with revisiting a basic topic: How to read your insurance policy.

Once you get past various legal notices, billing options and marketing messages, insurance policies have five parts: Declarations, insuring agreements, conditions, exclusions and endorsements. The smart mariner will take the time to review each of these in order, as they define the rights and responsibilities that come with the coverage you purchase.

**Declarations.** This is the what, where, when, by whom and for whom, price and coverage period of the policy. Check to make sure the named insureds are correct, any lenders are shown and that the right coverage lines are in place.

**Insuring agreements.** These explain the coverage you've bought in detail. An "open perils" policy covers everything except those areas covered in the exclusions (more on that below) while a "named perils" policy is for a list of specific things. Depending on the appetite of the insurer, certain additional perils can be agreed to and listed, usually by endorsement (again, more on this below).

**Conditions.** The insurer uses this section to outline what you must do to collaborate with them and in turn what they will do to help you get paid or to defend you in the event of a loss. This section also lays out how to file a claim. Pay close attention to the conditions, ideally before you are scrambling to file a claim, as following the 'rules of the road' in the policy will expedite claims handling and ordinarily lead to a smoother resolution of any call on your insurance coverage.

**Exclusions.** While the word itself fits certain stereotypes of insurance, this section is actually driven by logic and common sense. You can't deliberately sink your boat or burn your warehouse and expect to get paid, and you can't expect your Hull and P& I coverage to respond to an automobile accident. Exclusions exist to ensure your policy remains affordable, that

it covers reasonable risks associated with the appropriate operations and that exposures outside the realm of insurability aren't subject to your policy.

**Endorsements.** These can be used to expand or limit coverage, either at your request or at the discretion of the insurance company. Because a policy is a contract these serve as customized amendments that allow the coverage you buy provide a better fit to your unique operations. Here's where your agent can really earn their salt and why working with agents or brokers with marine experience can make a real difference in the coverage you call on when the chips are down.

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## **Schedule of Medicare 101 Workshops – September 2022**

Allen Insurance and Financial is offering a series of Medicare 101 workshops in September. We hope you can join us.

All workshops are free and open to everyone, though registration is required. All will be offered via Zoom and run from 5 to 6:30 p.m. Zoom information will be send upon registration. Here is the schedule, which is also available online at [AllenIF.com/Medicare](http://AllenIF.com/Medicare).

- Tuesday, Sept. 13: Register via email with Hope Library at [hopenlibrary04847@gmail.com](mailto:hopenlibrary04847@gmail.com).
- Wednesday, Sept. 14: Register with Medomak Valley Adult Education; register at [msad40.coursestorm.com](http://msad40.coursestorm.com).
- Thursday, Sept. 15: Register with Belfast Adult Education;

belfast.maineadulted.org.

- Wednesday, Sept. 21: Register with Five-Town Adult Education (Camden Hills): [fivetowns.maineadulted.org](http://fivetowns.maineadulted.org)
- Wednesday, Sept. 28: Register with Medomak Valley Adult Education; register at [msad40.coursestorm.com](http://msad40.coursestorm.com)

During these workshop, [Jo-Ann Neal](#) and [Anna Moorman](#) of Allen Insurance and Financial's Benefits Division will help answer questions, including:

- What does Medicare cover?
- What does Medicare NOT cover?
- When can I enroll in Medicare?
- What is a Medicare Advantage Plan?
- What is a Medicare Supplement Plan?
- What plan is best for me?

Anna Moorman and Jo-Ann Neal specialize in Medicare and will be available for a question and answer session following the presentation. [Meet Anna and Jo-Ann in this YouTube video.](#)

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**Wendy Byrd Earns Group  
Benefits Disability Specialist  
Designation**



Wendy Byrd, an account manager on the benefits team at Allen Insurance and Financial, has earned a Group Benefits Disability Specialist designation from The Hartford School of Insurance.

“Professional development is important to all of our insurance divisions but especially so in the ever-changing field of employee benefits,” said Dan Wyman, benefits division manager.

“Disability benefits are an important part of a benefits package and can make a real difference in the lives of employees and their families. This program allows Wendy to better serve our agency’s group benefits clients,” Wyman said.

Byrd has been with Allen Insurance and Financial since 2017.

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## **What Are Social Engineering Scams—and How Can You Avoid Them?**



*Presented by Thomas C. Chester, CFP®, AIF®, CPFA®*

You receive an email from a website you regularly use asking you to click a link to change your password due to suspicious activity. You take a phone call from the IRS asking you to verify your bank account or social security number. You get a text saying a family member was in an accident and they need money for emergency room bills.

These requests appeal to your sense of trust and seem like legitimate things to ask of you, so there's a good chance you'll respond or comply. But beware; these are common social engineering scams, which are ploys to access your sensitive information or obtain money using psychological manipulation.

## **Educate Yourself**

The best way to avoid being a victim of this type of attack is to recognize the signs and know how to protect yourself. Here are the most common social engineering scams:

**Phishing, smishing, vishing.** These words may sound like nonsense, but they're all widely used ways to trick you into giving away your personal information. *Phishing* occurs when a scammer sends you an email with a seemingly legitimate link to click, such as an email requesting a password change. Once you click and enter your password, bank account number, or other



sensitive information, scammers receive access—and you might not even realize it. *Smishing* is a similar scam via text, and *vishing* is via phone or voicemail.

- **Protect yourself.** Don't click links from someone you don't know, or even from an organization that might look legitimate. Go to the actual website and reach out using their posted contact information. Similarly, if someone calls you out of the blue and requests information, tell them you'll call their organization back using a verified number. If you call the IRS, for example, they'll likely tell you it wasn't actually their representative calling to solicit information from you. If you receive a text and don't recognize the sender's phone number, don't respond, even if the text indicates it's from someone you know.

**Baiting or quid pro quo.** As the term suggests, this method offers some form of bait to tempt you into divulging information or handing over money. It could be physical bait, such as a flash drive that seems legitimate, or *digital bait*, such as an enticing advertisement to click or a music download. In reality, these drives or links infect your computer with malware or direct you to unsecure websites.

*Quid pro quo* uses a similar tactic whereby the scammer offers a service or monetary incentive in exchange for your information.

- **Protect yourself.** Simply stated, don't take the bait. Remain suspicious of any link or ad sent to you. If you're interested in finding out more, you can always Google the company or product and find their official contact information. Don't insert flash drives into your computer if you don't know for certain what is on them or who has had access to them before you. Be wary of anyone requesting personal information, passwords, or login credentials from you, even if they claim to be an IT

specialist or government official. Verify a person's identity before responding to a request.

**Piggybacking or tailgating.** To carry out this type of attack, the perpetrator will try to gain physical access to a restricted space or device by following an authorized person. Think about a delivery driver asking you to hold a door open so they can deliver a package to someone in the building or an innocent-seeming stranger at a coffee shop asking to borrow your phone or laptop to look up information. Once given access, the scammer can steal your private information in a short amount of time.

- **Protect yourself.** Get in the habit of politely declining requests like these. You might want to be helpful and accommodating, but those are the precise traits attackers seek to exploit. You can always offer to look up directions or a phone number yourself, rather than allowing someone access to your device. And you can tell the delivery driver to phone the package recipient to gain entry to the office. Don't be the person who falls for the trick just because you were trying to be kind to strangers.

**Scareware.** Social engineering scams aim to make you act quickly based on emotion, and this form of attack does exactly that. You're working on your laptop and suddenly see a pop-up warning you that your computer has multiple viruses. It instructs you to download software immediately to protect your personal information and files. This is how they put the scare in *scareware*. It's natural to click as quickly as possible to prevent the issue from worsening; however, by doing so, you've exposed your computer to the malware you were trying to avoid.

- **Protect yourself.** First, be sure to install legitimate antivirus/antimalware software on your device and ensure that it's always up to date to block pop-ups from coming

through in the first place. If one does appear, allow yourself time to assess the situation and think things through before acting.

Scammers are hoping you'll panic and react quickly, but if you pause for a moment you'll probably be able to spot an attack. Look for misspellings, lots of exclamation points, altered logos, or unprofessional words that a software company likely wouldn't use. If you see one of these pop-ups, don't click it—don't even click the "X" button to close it. Instead, close your browser window and force quit through the task manager (Ctrl + Alt + Delete on Windows).

### **Recognize the Tactics**

Overall, the best way to stay safe from social engineering scams is to recognize these tactics, verify information and sources before acting, and avoid clicking or acting quickly based on emotion. Remain calm, evaluate the originator of any request for money or information, and don't comply until you're sure the request is legitimate.

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# **Stay on Track: 10 Tips for Midyear Financial Planning**

*Presented by Thomas C. Chester, CFP®, AIF®, CPFA®*



Although we all have the best intentions when we set financial goals each January, a lot can happen in 12 months to cause you to veer off course. Nobody wants to arrive at the end of the year and encounter a financial mess. One great way to keep yourself on a steady path to meeting your goals is to do a midyear check so you can make any necessary adjustments before things get out of hand. Use these 10 guidelines to ensure that your spending and investing are on track—and to avoid any surprises come December.

**Look over your budget.** This is the most basic step you can take to keep yourself on a path to financial health. Look at your spending through the middle of the year and determine whether you're right where you want to be, you need to cut back, or you have extra funds to spend on holiday gifts. Dozens of budgeting tools are out there to assist you in tracking your budget. Many have a digital platform where you can connect your accounts and track expenses. This pulse check provides an easy way to steer yourself back if you've strayed from your budget. And, if you haven't set a budget, this could be a good time to draft one and establish goals.

**Reconsider your retirement contributions.** Did you receive a raise during the first half of this year? If you're not maximizing your contributions to your 401(k), 403(b), IRA, or other retirement plan, and you have additional funds from your

increased salary or bonus that allow you to contribute more, it may be worth considering a bump in your retirement allocation.

**Assess tax withholdings.** It's a good idea to check your tax withholdings midyear, especially if you've had major life events such as a job change or significant pay increases. The IRS [has many tools](#) that can assist in determining whether your tax withholdings are appropriate.

**Rebalance your investment portfolio.** The volatility at the beginning of 2022 may have caused your investments to drift away from your strategy. This is a great time to look at your retirement plans and taxable accounts, rebalancing your portfolios to better align with your goals.

**Adjust insurance policies, if necessary.** Have you had changes in your life that would warrant additional insurance? If you haven't gotten around to adding insurance or increasing existing policies to account for marriage, having children, starting a business, buying a house, or other life events, use this midyear check to reevaluate your insurance needs.

**Take stock of employee benefits.** Be sure that you know when open enrollment for benefits occurs at your company and determine whether you need to make changes to your plans. This is also a good time to check on your FSA and HSA funds, submit receipts, and plan for how to use the remaining balance so you don't lose that money.

**Review your credit report.** You're legally entitled to a free copy of your credit report every 12 months from each of the three national credit bureaus (Equifax, Experian, and TransUnion). Take advantage of that opportunity to check for fraud or mistakes so you can remedy any issues as quickly as possible.

**Check your emergency fund.** Unexpected expenses do come up, and it's prudent to have an emergency fund on standby to meet them. Without this money tucked away, you may have to take cash meant for other expenses or goals, or even accrue credit card debt to pay for expenses. Most experts agree that you should have three to six months of expenses in an emergency fund. Midyear is a great time to take stock of whether you've sufficiently saved for unexpected costs. If you're running a surplus on your budget, it makes good financial sense to use this surplus to ensure that your emergency fund is in good shape.

**Be sure that your estate documents reflect your wishes.** You likely won't need to revise your will, trust, living will, or other estate documents, but it's a good idea to review them annually and make sure that they still align with your desires. If you've experienced major life events such as marriage, divorce, or birth of a child, you may want to speak with an estate planning attorney to ensure that your documents are in good order and meet your current needs.

**Set financial goals for the rest of the year.** Take stock of where you started and where you are midway through the year. Six months is plenty of time for situations to change and goals to shift. If nothing has changed, ensure that you are staying on track with your initial objectives. If major changes have happened in your life, you may want to reassess your financial goals for the remainder of the year.

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