

Financial Check-Up

Taking the time to properly plan for you and your loved ones' future has always been important. For many folks, 2020 put a spotlight on that. If you haven't already taken care of the following items, we urge you to make it a priority as soon as possible.

☐ **Year-End Financial Checklist**

- Do you have a will or trust set up? If so, is it updated? If you have a trust, please ensure that your financial advisor has a copy so that they can ensure your accounts are updated appropriately.

- Do you have 3 – 6 months' worth of living expenses that are liquid and accessible in the event of an emergency or financial hardship?

- Is your level of risk for your investments still appropriate? If it's been a while since you opened any accounts, it may be time to make sure you don't need to adjust how aggressive or conservative your investments are.

- It is extremely important to keep the names of the person(s) you'd like to benefit from your 401k, individual retirement plans and other investments up-to-date. Please take a moment to review your beneficiaries and make changes if necessary.

- Have there been any changes in your relationship status (marriage, divorce, etc) or in family composition (birth, adoption, etc) this past year? Are you expecting any of these changes in 2021?

- Have you or your spouse, if applicable, changed jobs this year or planning to change jobs within the next year?

- Are you maximizing your retirement plan at work? Do you have any retirement accounts held by former employers?

- Are you on pace for financial goals such as retirement savings, college savings, etc?

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- **Retirement Accounts**
  - Below are the 2021 contribution limits for 401k plans and SIMPLE IRAs. These are unchanged from 2020.

	401k	SIMPLE IRA
Employee Elective Deferrals	$19,500	$13,500
Over 50 Catch-up Provision	$6,500	$3,000
Total for those over 50 years old	$26,000	$16,500

- **College Savings**
  - In order to qualify for the state income tax credit available to Indiana residents, contributions into CollegeChoice 529 Savings plans accounts must be ***initiated or postmarked*** by December 31. If you are a current *Rader Financial Services* client and plan to make a contribution through our office, please ***have it to us by December 28***. As a reminder, the annual credit is 20% of the first $5,000 contributed (per tax return).

  - For those who have kids in college now and are taking withdrawals, you need to ***pay the tuition/education expense in the same year that you take the withdrawal from the 529 account***. In other words, if you're going to pay the bill in January, don't take out a distribution in December.

If you have any questions regarding any of these topics or need to discuss other areas of your financial situation, please do not hesitate to call our office at 317-272-4650.

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Luke 14:28 "Suppose one of you wants to build a tower. Won't you first sit down and estimate the cost to see if you have enough money to complete it?"

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