



Your New Year Money Checklist

You're ready for 2014, but is your bank account?

By [GEOFF WILLIAMS](#)
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Check your credit report. You've heard all the horror stories about identity theft (especially if you're one of the 40 million people who shopped at Target between Nov. 29 and Dec. 15). At annualcreditreport.com, you can get a free credit report from each of the three credit reporting agencies once a year. You could get all three reports, or even better, stagger it so that you request a free report from one of the bureaus every four months. You want to make sure the information is accurate and that no one is buying anything in your name – sticking you with debt and harming your credit score.

Study your retirement situation. Maybe you haven't begun setting money aside for retirement, in which case, this would be a good time to start – or at least resolve to get serious this year. Most financial planners will tell you to put away 10 to 15 percent of your annual income for retirement, and if you can't do that, put away as much as possible.

But assuming you are already putting ample money away, "make sure your assets are strategically invested across all of your retirement accounts. Your investments should be working together instead of duplicating efforts," Smith says.

Ideally, Smith says, every January, savers should increase their retirement contributions by 1 percent "and continue every year for as long as you can until you're saving up to the maximum allowed by the IRS."

Not that you have to do this right now – any month is fine, but "doing this in January, at the beginning of every year, makes it easier to remember and increases the likelihood that it'll become a habit," Smith says.

You may also want to increase your final 401(k) contribution if it's still 2013. "If you have not reached your contribution limit for the year, consider making an extra deposit to get the full benefit on your taxes," says Scott Cramer, president of Cramer & Rauchegger, a retirement and estate planning firm in Maitland, Fla. "Workers can contribute up to \$17,500 in 2013, plus an additional \$5,500 if they are 50 or older. The more you put away, the better off you will be in retirement, even if your investment returns wind up being not so great."

If 2014 has already begun and you're kicking yourself for not contributing more to your 401(k), scribble down a note on your calendar so you can get a jump on 2015.

And if you're kicking yourself simply because you wish you had been financially smarter in 2013, not to worry. That's the whole point of a new year financial checklist. It's a particularly useful tool for people who believe they're a financial dunce: Follow your money checklist and do what you need to do now, and a year from now, whatever you're currently feeling will be a distant memory. Your future self will think you're brilliant.

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