



# Ask McCaskill

FINANCIAL ADVICE STRAIGHT FROM THE EXPERT

## Financial Tips for 2nd Half of 2023

For many people, checking off items on a long list of to-dos brings a great sense of satisfaction. To help you keep moving toward your goals, we've created a month-by-month checklist of some key financial tasks to consider the second half of the year. You might even find that you've completed some of these items already!

### July

- Research 529 savings plans. Withdrawals from 529 plans are tax free when used for qualified higher education expenses, making them an excellent way to save for a child's or grandchild's schooling.

### August

- Review online accounts. Look at the usernames and passwords you currently use for your online accounts. If the passwords are too basic or if you've held onto them for too long, consider changing them as a security precaution.

### September

- Assess your overall investment goals and strategy. Reevaluate your financial goals at least once a year, especially if you've had any major changes or unexpected events in your life. We can discuss your situation and help you adjust your financial plan accordingly.

- Revisit your budget. Look back at the plan you made in January, and decide whether to adjust your budget or stick to your current strategy.

### October

- Contact your CPA for year-end tax planning. Before tax season hits, it's a good idea to speak

with a certified accountant about changes in your personal circumstances, expiring tax breaks, and so on.

- Consider charitable giving. Donating to charity at year-end is a popular way to do good while reaping potential tax deductions. Charitable giving may be another item you wish to discuss with your CPA.

### November

- Review the balance in your flexible spending account (FSA). FSAs require special attention so that you don't lose unused funds at year-end. Under a new law, employers may allow employees to roll over \$500 in FSA funds to the next year. Be sure to check the rules of your FSA plan and review your available balance.

### December

- Consider refinancing high-interest debt. Consolidating your mortgage, credit card, or car loan payments can make your financial life more efficient (and possibly lower your overall interest rate).

- Pay off credit card balances every month. For the New Year, make a resolution to pay off your credit card balances every month, if you're not doing so already.

### Milestone Events

In addition to the monthly tasks outlined here, keep these significant planning milestones in mind as you near retirement age:

- **Age 50:** Consider making catch-up contributions to IRAs and qualified retirement plans.

- **Age 55:** You can take distributions from 401(k) plans without penalty if you've retired.

- **Age 59½:** You can take distributions from IRAs without penalty.

- **Ages 62-70:** You can apply for social security benefits.

- **Age 65:** You become eligible for Medicare.

- **Age 72:** You must begin taking required minimum distributions from IRAs, 401(k)s, and 403(b)s.

Although this may seem like a lot of information to take in at once, glancing at the checklist each month and preparing for important retirement-related dates can greatly improve your sense of financial security, granting you confidence throughout this year—and beyond.

To submit questions for future articles

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