

Plan Ahead to Master Your Financial Future

BY SETU MAZUMDAR, MD

Your 2016 tax returns might be well in the rearview mirror, but now isn't the time to get financially lazy. Just like preparing for the ABEM Concert exam, taking your LLSA tests (aren't those fun?), and getting your CME, keeping your financial house in order is an ongoing requirement – if you want to build wealth that is! So I've put together a sample year-round financial planning calendar you can use to make sure your finances are always up-to-date. Month by month I've listed the main action steps you need to take within various parts of your financial life. You can customize this for your own situation, or if you've hired a good financial planner, that person should be guiding you throughout the year. Notice that some tasks are repetitive — to stay on top of your finances, you've got to review them regularly.

	INVESTMENTS	TAXES	CASH FLOW	INSURANCE	OTHER
September	Rebalance portfolio Review portfolio for tax losses 9/15 deadline for last year individual 401k and SEP IRA contributions (if incorporated and filed extension)	9/15 - Pay Q3 estimated taxes Review YTD income and adjust tax withholding and estimated taxes	Review income, expenses, and net cash flow for the month Review liquidity and emergency fund and make sure it is adequate Determine year to date savings rate (contributions, employer matches) - adjust to make sure you max out by year end	Review life insurance policies and needs (terms, amounts, premiums) - adjust if needed	Review employee group benefits for next year (group life, group disability, group health, FSA)
October	Review portfolio for tax losses 10/15 deadline for last year individual 401k and SEP IRA contributions (if sole proprietor and filed extension)		Review income, expenses, and net cash flow for the month Review liquidity and emergency fund and make sure it is adequate		Make employee group benefits elections for next year 10/1 start date to submit FAFSA application for next academic year
November	Review portfolio for tax losses		Review income, expenses, and net cash flow for the month Review liquidity and emergency fund Determine year-to-date savings rate (contributions, employer matches) - adjust to make sure you max out by year end		
December	Rebalance portfolio Review portfolio for tax losses Year end dividend and capital gains distributions - determine whether to reinvest or take as cash	Review YTD income and adjust tax withholding and estimated taxes 12/31 deadline for charitable contributions, medical expenses, business expense deductions	Review income, expenses, and net cash flow for the month and YTD Review liquidity and emergency fund and make sure it is adequate	Review long term care insurance policies and needs	Take Required Minimum Distributions (RMD) for year 12/31 deadline for current year 529 plan contributions (some states 4/15 deadline) Organize important financial documents (insurance policies, tax returns, wills, investments) Review estate plan with attorney (every 3-5 years)
January	1/15 deadline for last year individual 401k employee contribution (if incorporated) Review portfolio for tax losses Review risk tolerance and adjust investment allocations	1/15 - Pay Q4 estimated taxes Organize all tax documents (1099s, W2s, K1s, receipts) and send to CPA	Review income, expenses, and net cash flow for the month Review liquidity and emergency fund and make sure it is adequate	Update homeowners and auto insurance (amounts of coverage, premiums)	Update household balance sheet (Net worth, assets, liabilities) Update retirement projections Re-evaluate long term financial goals (retirement, education, charity..)
February	Review portfolio for tax losses	Meet with CPA for personal and corporate tax return	Review income, expenses, and net cash flow for the month Review liquidity and emergency fund. Make sure it is adequate		
March	3/15 deadline for last year individual 401k and SEP IRA contribution (if incorporated) Rebalance portfolio Review portfolio for tax losses	3/15 File corporate tax return (if formed LLC or corporation)	Review income, expenses, and net cash flow for the month Review liquidity and emergency fund and make sure it is adequate Determine YTD savings rate (contributions, employer matches) - adjust to make sure you max out by year end		
April	4/15 deadline for last year individual 401k and SEP IRA contributions (if sole proprietor), IRA/Roth IRA contributions, HSA contributions Review portfolio for tax losses	File previous year personal income tax return or extension - pay any taxes due 4/15 - Pay Q1 estimated taxes	Review income, expenses, and net cash flow for the month Review liquidity and emergency fund and make sure it is adequate		
May	Review portfolio for tax losses		Review income, expenses, and net cash flow for the month Review liquidity and emergency fund. Make sure it is adequate		
June	Rebalance portfolio Review portfolio for tax losses	6/15 – Pay Q2 estimated taxes Review YTD income and adjust tax withholding and estimated taxes	Review income, expenses, and net cash flow for the month Review liquidity and emergency fund. Make sure it is adequate Determine YTD savings rate (contributions, employer matches) - adjust to make sure you max out by year end	Review disability insurance needs and update monthly benefit	
July	Review portfolio for tax losses	7/31 deadline to file Form 5500 (for individual 401k) Review current year tax deductions	Review income, expenses, and net cash flow for the month Review liquidity and emergency fund and make sure it is adequate		Update 529 plan contributions, allocations, and college savings projections
August	Review portfolio for tax losses		Review income, expenses, and net cash flow for the month Review liquidity and emergency fund. Make sure it is adequate		