

Periodic check-ups aid financial health

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Many financial ailments can be avoided with periodic check-ups. Sherre Stephens, a certified employee benefits specialist and director of executive and institutional benefit design for [GuideStone Financial Resources](#) of the Southern Baptist Convention, prescribes a six-point self-examination:

- **Maximize retirement plan deferrals.**

“Deferrals to your employer’s retirement plan reduce current federal income tax liability and enhance your retirement savings,” she wrote in a recent column distributed by GuideStone.

Sherre Stephens

“If your employer offers a match, don’t pass up this benefit. The 2006 basic limit is \$15,000—\$20,000 if you are age 50 or older.”

- **Check withholding election.**



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“You may look forward to a refund in early 2007, but this is tantamount to an interest-free loan to the government. Alternatively, you don’t want to owe taxes when you file for the 2006 tax year. The Internet offers many calculators to help you determine if you are over- or under-withholding,”

Stephens said.

- **Review investments.**

“Are your investments on track? Do you need to rebalance your portfolio? Many employers now provide free investment advice for retirement plan assets,” she wrote.

Stephens suggests that investors consider consolidating investment holdings and checking beneficiary designations.

- **Use a cafeteria/flex plan if it is available.**

Many employers offer reimbursement for allowable expenses such as medical bills or child-care expenses.

“If possible, invest the reimbursement,” Stephens suggests.

- **Consider impact of the Tax Increase Prevention and Reconciliation Act.**

In part, this law extends the alternative minimum tax exemption levels through the end of this year at a rate of \$62,550 for joint filers and \$42,500 for single taxpayers.

“The act also extends the lower tax rate for qualified dividends and capital gains through 2011, which gives you an additional year for capital gains planning,” Stephens noted.

- **Prepare for open enrollment.**

“Many employers hold open enrollment in the fall” for benefits programs, she notes. “Begin reviewing your choices, especially if you’ve had family

situation change. Research your options now to avoid last-minute choices.”

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