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[Estate Planning and Winter Financial Activities](#)

By

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It's Cold Outside. Time to Get Your Fiscal House in Order.

Now that the temperatures are keeping you from being outside, take this time, and attend to these personal finance items:

- 1. Rebalance your investments.** You probably had a lot of winners in your portfolio last year with the big rally in stocks. When you have a lot of gains, it is best to wait, if you can, to after the year's end to rebalance to move the taxes' impact on gains into the following tax year. Preferably those gains will be capital gains: holdings held for one year or more where your tax will be 15-20 percent.
- 2. Get your estate plan updated.** There are many changes in the laws that you will want incorporated into your plan. If you already have a plan in place, and it has been more than five years, call your attorney, and get a tune up. If you don't have an estate plan, you owe it to your family to have one in place.
- 3. Adjust your tax withholding.** If you received an income tax refund of more than \$1,000 last year and your income and expenses are likely to be materially the same this year, then it's probably time to fill out a new [W-4 form](#) with a higher number of allowances than you listed before. If your refund was for several thousand dollars, then you should probably increase this number by at least two or three for both federal and state withholding. It does not make sense to loan hundreds or thousands of dollars each month to the tax collectors at zero percent interest.
- 4. Set up identity theft protection.** Identity theft is the fastest growing crime in the U.S., with more than 12 million victims each year. Just being careful isn't enough to protect your identity. If you are serious about taking steps to protect yourself from identity theft, sign up for identity theft protection services. They all provide daily monitoring of the information that is most often compromised by identity thieves.

Look for service that combines multiple types of monitoring, such as reviews of credit reports, public records, credit cards, and Social Security. Some also include software to protect your computer and even throw in access to your credit scores.

5. Protect yourself for emergencies. Lastly, you should create an emergency savings fund. Depending on the variance in your earnings and the security of your job, the amount should be six months to a year's worth of income.

Disclaimer: The views expressed in this article are the opinions of the author and should not be interpreted as individualized investment advice. Investment objectives, risk tolerances and the financial situation of individual investors may vary. Please consult your financial and tax advisers before investing.

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About Susan Carr-Templeton

Susan Templeton is the founder of Stafford Wells Advisors, a wealth management firm serving individuals, families and businesses and advising workplace retirement plans. Stafford Wells was founded in 2008 with the mission of delivering independent, complete, unbiased investment and planning advice, free of any conflicts of interest. Susan Templeton has more than 20 years experience in investment management. She received her B.S.B.A. degree in marketing from the University of Denver and her M.B.A. from the University of Chicago. Susan is a trustee for the Advocate Foundation where she chair's the Planned Giving Committee and is a member of the Investment Committee. Susan serves on the investment committee for the Visiting Nurse Association (Chicago) and is a former trustee of the Village of Oak Brook Police Pension Plan.