

## SMART FINANCIAL MOVES

January is **Financial Wellness Month**—which aligns with Level Up's fifth dimension (*Financial Wellness*). The OHRM Benefits and Pensions Division would like to provide all employees with the following information to support your financial wellness and goals for 2020.

The New Year is the perfect time to review your finances, make the most of new opportunities to save, and cut back on unnecessary expenses. Here are **Smart Financial Moves** that can help you start the year off with strong financial footing.



- **Save more in your 457.** You can contribute \$500 more in your 457 plan in 2020 than 2019—the new limit is \$19,500 (or \$26,000 if age 50 or older). If you receive a raise or promotion, save some of the extra money. To change your biweekly contribution: 1) Log into [portal.sap.mypgc.us](http://portal.sap.mypgc.us); 2) Click on the index tab and select *Anytime Changes*; 3) Click on *Savings Plan*; 4) Click *Actions* and change the amount; 5) Click *Add*; 6) Click *Save*. Contact [pgcdeferredcomp@co.pg.md.us](mailto:pgcdeferredcomp@co.pg.md.us) if you have questions.
- **Pay down high-interest credit cards.** The less money you spend on interest, the more you'll have for other financial goals. Use our debt calculator ([www.icmarc.org/debtcalc](http://www.icmarc.org/debtcalc)) to see how much you can save in interest by boosting your payments.
- **Build an emergency fund.** This way you won't run the risk of falling into high-interest debt if you have unexpected expenses. Work toward keeping three to six months' worth of living expenses in a money-market or savings account.
- **Review your credit record.** Check for errors and ways you can improve your credit, such as paying your bills on time. You can get a free copy of your credit report from each of the three major credit bureaus every year at [annualcreditreport.com](http://annualcreditreport.com).
- **Re-shop your insurance coverage.** See if you can save money by increasing your deductible, qualifying for discounts, bundling homeowners (or renters) and car insurance with the same company, or shopping around for a better deal.
- **Save money on everyday expenses.** Cutting back on restaurants or entertainment by even a few dollars a week can make a big difference over the long term if you invest the extra money in your retirement savings account. Visit [www.icmarc.org/smallchange](http://www.icmarc.org/smallchange) to calculate the impact.
- **Prioritize your debt.** Some types of debt take a much bigger toll on your personal finances than others. When deciding which types of debt to focus on first, consider interest rates, tax breaks, and repayment flexibility. Paying off high-interest credit cards should be a top priority.
- **Review federal student loan repayment options.** You may qualify for a more affordable repayment plan based on your income. See <https://studentaid.ed.gov/sa/repay-loans/understand/plans>.
- **Plan ahead for extra expenses.** Start setting aside some extra money now for holiday gifts and travel to avoid ringing in the New Year with a big credit-card balance. In addition, build up your emergency fund so that unexpected expenses won't lead to high-interest debt.