Fine-Tune Your Finances

Hit the ground running in 2025 with four easy steps.

Turning the calendar to 2025 is worthy of celebration and is a natural time to plan for the year. Just as you perform regular maintenance on your car, your financial health can benefit from an annual tune-up – particularly when it comes to retirement savings.

Even if you'll benefit from a hard-earned pension, an effective retirement plan needs ongoing care. Whether you're early or late in your career, the plans you make now may play a key role in securing the retirement you envision. Consider these steps to help measure your finances' vital signs and ensure that you're on track.

1 Review Your Retirement Account Statements, Social Security Statements, and Credit Report.

Gather your retirement account statements, Social Security benefit statements, and credit reports.

Once you know your current retirement account balance, you'll need a target savings amount and retirement date to know whether you're on track. You can either use one the MissionSquare online calculators or schedule a consultation with a MissionSquare representative at no additional cost to you.

If you are near retirement or are already retired, Social Security benefits are likely top of mind. To get an estimate of your benefits, simply create a my Social Security account at www.ssa.gov/myaccount. Keep in mind that some public sector employees receive reduced benefits if they worked for an employer that didn't withhold Social Security taxes from their wages.

When it comes to monitoring your credit score, you can get a free copy of your credit report from each of the major credit reporting companies at www.AnnualCreditReport.com, which is the official site authorized by the federal government.

Your credit report can determine your eligibility for future loans, so look for errors that might damage your score. These errors could include incorrect credit limits or balances, as well as mistakes in your personally identifiable information. A recent study found that 44% of participants discovered an error when reviewing their credit reports – 27% of which could potentially harm their credit.[1]

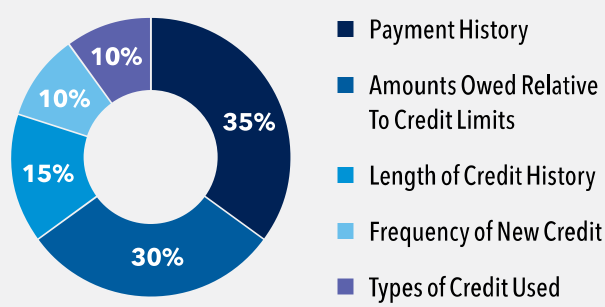
2 Assess Your Contributions.

The pretax money you contribute to your 457(b), 403(b), or 401(a) plan is fuel for helping you get to your retirement destination. For 2025, the maximum amount you can contribute is $23,500. If you're over the age of 50, you can make additional catch-up contributions up to $7,500, raising your limit to $31,000.

Also, check to see if your employer offers a matching contribution. If so, consider contributing at least enough to get the full employer match. This is essentially free money added to your retirement savings.

What Determines Your Credit Score?

Your credit score reflects more than just timely payments.[2]



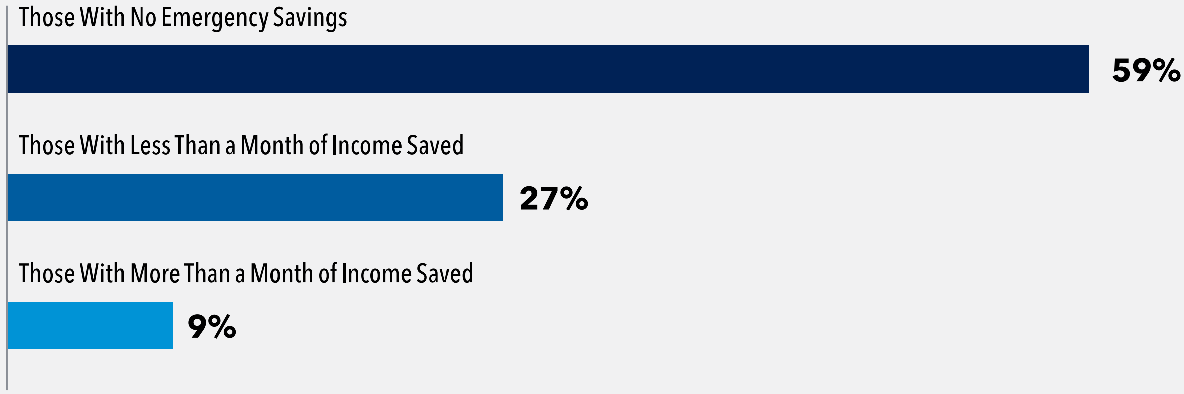
[1] "More Than a Quarter of People Find Serious Mistakes in Their Credit Reports, Study Shows," Consumer Reports, April 30, 2024.

[2] "The 5 Factors That Make Up Your Credit Score," Freddie Mac, Jan. 8, 2024.

(continued)

Emergency Funds Help Protect Savings

Percentage of people who have made early withdrawals from their retirement accounts[3]



[3]"Emergency Savings and Financial Security," Consumer Financial Protection Bureau, March 2022.

3 Adjust Your Financial Plan for Life Changes.

As your personal circumstances change, your financial plan should evolve, too. Whether your life change involves a new job, a baby, or retirement, your plan should reflect your current situation, savings targets, and long-term goals.

As you move through different life stages, your vision for retirement can also evolve. Perhaps you initially planned to retire at 55, but now you would like to retire earlier, or you're considering working part-time in retirement. Maybe you want to relocate to be closer to your children or grandchildren. Whatever your vision, update your financial plan to support these changes.

You should also include your emergency savings in your annual tune-up. Typically, three to six months of living expenses in your savings account can help prevent unexpected bills from derailing your progress. Emergency home and auto repairs, surprise medical expenses, and any other unanticipated expenses can add up quickly. Think of your emergency fund as a part of the foundation for your long-term financial plan.

4 Update Your Beneficiary Designations.

It can be easy to overlook your beneficiary designations, but they can play an important role: ensuring that your hard-earned savings go to the people you intend after your death.

Events such as a marriage, the birth of a child, or a divorce can impact whom you might want to designate as your beneficiaries. Those you select as primary beneficiaries are the first in line to inherit your assets upon your death. As an additional layer of security, it's helpful to also designate a contingent or secondary beneficiary to receive the assets if the primary beneficiary is unable to. This setup provides an additional layer of security that can help ensure your savings are distributed according to your wishes.

Each step you take, no matter how small, can help bring you closer to securing your financial future.

Get help with tracking your expenses and debt using our budgeting tool at www.missionsq.org/budget.

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