

Retirement Daily

Living in Retirement

10 Financial Tasks Baby Boomers Should Automate in the New Year

By Retirement Daily Guest Contributor | Jan 2, 2019 7:45 AM EST

By Marcia Mantell

It's no secret that getting older means getting wiser. And, while most Boomers will deny it, getting older also means getting more forgetful.

As a normal part of the aging process, our cognitive "snappiness" can get a little sluggish. Research shows that as we age our processing capacity slows down. At the same time our confidence level to handle more complex situations accelerates! Boomers do think they can accomplish intricate tasks and manage increasingly complicated processes. But in fact, they don't perform nearly as well as they claim.

Realizing this disconnect becomes particularly important when considering financial matters. It used to be that paying bills was as easy as writing a check. Now, technology has propelled everything financial into a swirl of complexity. And, the consequences for any missteps can be damaging.

So, as you set up your New Year with that sense of optimism and confidence, take a look at these 10 financial bills and payments that you should automate, set up alerts, or put on auto-pay to ensure your financial future will run smoothly:

1. **Property Taxes** -- Set up automatic reminders and alerts on your electronic calendar or smartphone calendar to pay your property taxes on time. Once your mortgage is paid in full, your bank or lender no longer collects and pays your property taxes. You will not want to run into trouble with your local town or city management, so set your alert for two weeks prior to the due dates.
2. **Credit Card Payments** -- Automatic payments for each of your active credit cards can save you a lot of late payment fees. Generally, you'll set up online payments at the credit card company's website. Payments will be recurring on or before your due date, and you choose how much you want to pay. You'll want to schedule more than the typical minimum, and Chase credit cards even allow you to choose "pay-in-full" each month.
3. **Utility Bills** -- You won't want to be sitting home in the cold and dark if you've forgotten to pay your monthly electric or gas bill for months on end. Most utilities allow you to set up an EFT from your checking account -- an electronic funds transfer. This is a financial transaction that allows the utility to tap your bank account for the amount you owe. The set-up is easy and you never have to worry about paying these bills on time again.
4. **Technology and Data Accounts** -- It used to be that we just had a phone bill to pay, including long-distance charges. Today, most Boomers consume a tremendous amount of technology and data; and, the monthly bills are high. Cellphone and data companies allow you to set up

automatic, monthly payments directly from a credit card or your bank account. This makes staying in touch with friends and family easier without interrupted service. Also remember that you sign a contract with the tech and data companies, and as a result, late payments are dings against your credit score.

5. **Automobile Inspections** -- If you live in a state that requires new stickers every year to prove your emissions and safety features are working properly, there is nothing scarier than realizing on the 4th of the month that your sticker expired 4 days ago. The police take notice as well, and those tickets are not cheap! Make sure you set up a recurring reminder on the first day of the month that your inspection or smog test is due. You might want a second reminder as well for the 15th of the month ... just in case your cognitive powers are on the downside at that moment.
6. **Quarterly Taxes** -- Many folks find that once they stop receiving a paycheck from an employer, they are now responsible for making estimated tax payments. The IRS is rather persnickety about getting paid on time, and late payments are 1) your responsibility, and 2) assessed with interest and penalties. Schedule these "quirky quarters" on your electronic calendar and set reminders for 2 weeks prior to the due dates. The dates when you must have your payment e-filed or postmarked are based on these specific payment periods:

Payment Period -- Due Date

January 1 -- March 31 April 15

April 1 -- May 31 June 15

June 1 -- August 31 September 15

September 1 -- December 31 Generally, January 15 of the following year

7. **Homeowners Insurance** -- Another payment often collected by your mortgage lender is your homeowner's insurance. The lender conveniently makes the payment to your insurer when it's due -- annually, quarterly, or monthly. Once you pay off your mortgage, it's critical that you keep your policy in force. You'll have to continue to pay on time, every time. It's a good idea to talk to your insurer about setting up an automatic payment plan directly from your checking account so you never miss a payment. This is especially important if you are planning to age in place. You'll need to keep your house protected.
8. **Any other insurance you pay annually** -- It's hard to keep up with those annual bills that always seem to surprise us: Life insurance, umbrella insurance, disability insurance, long term care insurance, and car insurance. You may not carry all of these insurances after you retire, but any that will continue throughout retirement should be put on autopay and have reminders sent to you. Any missed payment will cause a lapse in coverage, and you could lose the entire policy after just 30 days. That is especially serious if you were counting on a LTC policy only to find out you missed payments years ago and now have to tap into your personal assets for the care needed.
9. **Required Minimum Distributions** -- As you approach age 70 ½, you'll need to get all of your tax-deferred accounts tidied up and ready for annual withdrawals to meet IRS rules. It is shocking how many folks forget to take their annual distribution, and then panic on December 28th when they can't get their trades to clear and withdraw the cash needed. Most of the financial firms

have automatic RMD payment services. Use them! Set up your withdrawal schedule once, then the financial firms will take care of all future calculations and distributions directly to your bank or brokerage account. You'll want to set up your auto-distributions to avoid a nasty 50% IRS penalty.

10. **Passwords Reminder** -- If you had to guess how many passwords you have, what would you say? Ten? Two-hundred? One? Which ones do you use for your financial accounts? Credit cards? Insurance? Where are they located so your trusted partner can find them in an emergency? If you don't log in often, how do you remember your passwords? It is critical that you set up an annual reminder to clean up your passwords and reset those on your financial accounts. Be mindful of the ever-increasing cybercrime issues and set up reminders that might help keep your identity and accounts safer.

So, ring in the New Year, then use the first 10 days of the year to get these 10 items automated and on auto-payments. One task each day. Taking action now can truly make a difference in your financial life.

About the author: Marcia Mantell is the founder and president of [Mantell Retirement Consulting, Inc.](#), a retirement business development, marketing & communications, and training company supporting the financial services industry, advisors and their clients. She is author of "[What's the Deal with®... Retirement Planning for Women](#)" and blogs at [BoomerRetirementBriefs.com](#).

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