

# Spring cleaning your financial life



When was the last time you did a thorough spring clean in your house? Perhaps just recently before the recent Lunar New Year.

Well, at least the Lunar New Year gives us a reason to clear our clutter once a year. A clutter-free home gives you a sense of well-being and clarity. The same goes with our financial life, writes JOYCE CHUAH.

WE need to 'spring clean' our financial life at least once a year. It does not just include filing up our bank statements or throwing away old cheque butts, but also removing unwanted mess in your financial life such as:

**YOUR CASH FLOW:** What are the leakages in your pockets? Is there any unconscious spending? Automatic payments for services you no longer need? What about too much interest payments?

**YOUR SAVINGS AND INVESTMENTS:** Are they allocated in the right proportion? Are your savings for the shorter term needs while your investments are for much longer term ones?

Joyce Chuah is CEO of Success Concepts Life Planners

*"I keep all my receipts and financial statements properly filed so it'll be easy later to make claims from the income tax department, my employer and my children when they grow up."*



Illustration by HAFIDZ MAHPAR

What about savings which are totally forgotten and dormant? Do you own stocks or funds you have neglected or given up on?

**YOUR WILL:** Do you need to update your will? Is it still located in the same place or has it been moved accidentally elsewhere? Is there a personal situation which may void your will, for example marriage or conversion to Islam?

**YOUR INSURANCE:** Are you underinsured? You may have been sufficiently insured years ago but due to medical inflation, the insurance coverage amount may no longer be enough to meet the high cost of hospitalisation and treatment.

**YOUR TAX FILES:** Are your financial statements and receipts properly filed for tax submission purposes? Are you aware of your next eligibility to capitalise on certain reliefs such as the purchase of computer which is allowed only once in three years? Have you fully claimed on a business asset for capital allowance, which may mean that it may be beneficial to replace the old asset soon?

A financial spring cleaning brings clarity and control into your life just as a house spring cleaning can do. So the next time you plan to spring clean before the Lunar New Year, remember to spring clean your financial life as well.