

Money 1st

5 Things to Do in the New Year



1 Shop for a no-fee checking account

New regulations have reined in the profits that banks can make from penalty fees. So banks are looking to replace that revenue by tacking on charges for checking accounts and boosting minimum balance requirements. Chances are you can escape the new fees if you're willing to jump through a few hoops. Bank of America, for example, will waive its \$9 monthly charge if you direct-deposit your paycheck or maintain an average balance of at least \$1,500; Citibank drops its \$8 fee if you complete five "qualifying" transactions each month (such as using your debit card and making ATM withdrawals). Can't find your way out of fee land? Shop around for free checking offers at community banks and credit unions (go to findacreditunion.com or findabetterbank.com).



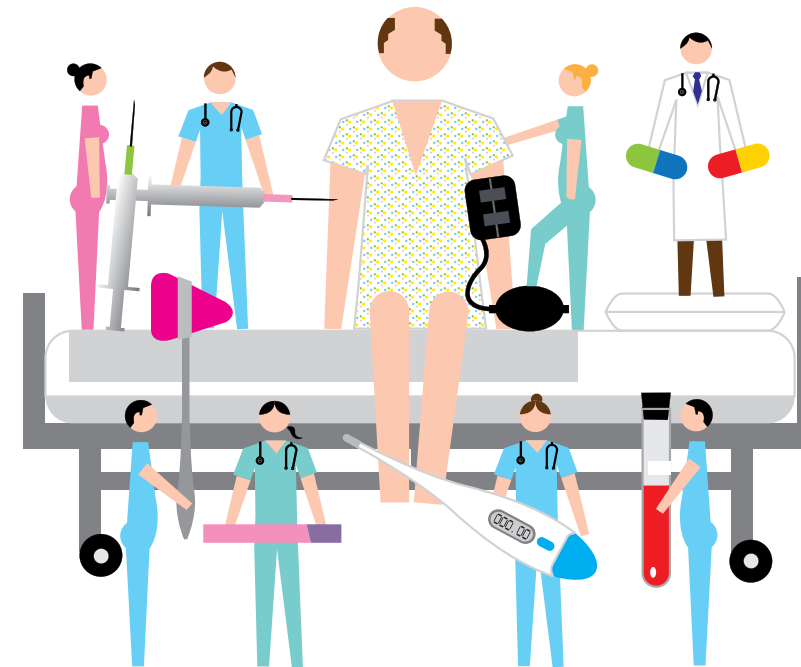
2 Save your raise

Salary boosts are bigger! Human resources consulting firm Buck Consultants projects that most companies will increase employees' pay by an average of 3% in 2011, up from 2% in 2009. If you're making \$100,000, that's about \$2,000 a year after taxes. Doesn't sound like much of a haul? Funnel it straight into a tax-advantaged account like a Roth IRA every year and your money will grow tax-deferred, giving you an additional \$139,522 in 30 years (assuming a conservative 5% annual return). "The money might seem insubstantial at the time, but it's going to work hard in the long run," says Reston, Va., financial planner Frank Boucher.

ILLUSTRATIONS BY PETER STEMLER

3 Go for a checkup

Now you have no excuse for skipping your annual physical—or your mammogram or flu vaccination, for that matter. Starting in 2011 most health plans will fully cover in-network preventive services—no co-pay, co-insurance, or deductible allowed. The list of free services varies, depending on what the U.S. Preventive Services Task Force recommends for your age, sex, health status, and family history. Get details at healthcare.gov. Note: A few health plans may be exempt; call your human resources department to see if yours is one of them. If the answer is yes, ask what you'll be charged (but go anyway).



4 Score a better rewards card

Card issuers, burned by defaults, now view merchant fees as their most reliable source of profit. That's led them to dangle richer rewards and bulked-up bonus offers to the customers who swipe the most. "Those with excellent credit who are aggressive chargers will get the best offers," says Curtis Arnold of CardRatings.com. The Chase Freedom card, for example, will throw in \$100 cash back after you spend \$800 in the first three months; United Mileage Plus Select Visa offers 30,000 bonus miles plus a \$50 credit toward an air ticket after you spend \$250. To find the best card for you, go to cardratings.com or nerdwallet.com.



5 Use your vacation days

Last year a whopping 37% of Americans didn't take all their available time off, up from 31% two years earlier, according to travel website Expedia.com. When employers were chopping heads, skipping your annual jaunt to Sarasota might have felt like a smart career move. But firing has slowed—and unwinding can actually help you become more productive. "It helps reorganize your brain, which ultimately improves your performance," says Joe Robinson, author of *Don't Miss Your Life*. Vamoose for two full weeks if possible: Research shows it takes that long to recuperate from burnout.

—AMANDA GENGLER AND ISMAT SARAH MANGLA