

When to Call Your Financial Advisor

If you're experiencing a major life change of any kind, or facing a crucial financial decision, it's a good idea to make an appointment with your financial planner.

Here are some examples of major life passages when you may need some good financial advice - and some action items to bring up:

1. Marriage. At a minimum, it's critical to have life insurance in place to protect both spouses. Many planners also assist with budgeting tools, provide advice about spousal communications concerning money, and can help you develop a long-range financial plan together, as a couple. Other critical items to discuss include disability insurance, debt/credit management and starting retirement savings.

2. A new baby. A pregnancy or new baby means it's time to update your life insurance, and name a new beneficiary. Often, you'll set up an UTMA (Uniform Transfers to Minors Act) or UGMA (Uniform Gifts to Minors Act) trust to hold assets on your child's behalf until he or she reaches adulthood. You'll also want to name a custodian to make financial decisions and to control the assets in the trust.

It's also an excellent time to begin planning for college by setting up a Section 529 Plan, a Coverdell Education Savings Account - or in some cases using cash-value life insurance strategies to accumulate assets that don't get counted against your child for need-based financial aid purposes.

3. Starting a business. An experienced financial advisor can help you separate your business assets from your personal assets, and set up small business retirement and employee benefit plans of all kinds. Your insurance professional can ensure you have vital coverage and protections in place - such as key person life insurance, disability insurance, general liability, and employment practices liability.

4. Retirement. Your advisor can help you make critical decisions about Medicaid and Medicare that may affect the rest of your life. Make your appointment a few months before you turn 65, so that you won't miss your Medicare and Medigap Open Enrollment windows.

It's also time to ensure your assets are structured to provide an income, and to minimize risk and needless taxes. Moreover, it's time to review your will, power-of-attorney documents and your advanced health care directive.

5. Getting a promotion. A promotion usually means more money - and also more decisions. You may be in a higher marginal tax bracket, for example, which may affect how you choose to save and invest. You may want to increase disability income and life insurance, or discuss protecting yourself and your family against high long-term care costs.

Your advisor can help you prioritize your savings, investments and spending. If you're changing jobs, you need to decide what to do with that old 401(k).

6. Receiving a windfall. Your advisor can help you structure your windfall to minimize taxes, as well as help you invest the windfall as productively as possible. They may also be able to talk you out of some bad ideas!

7. Hitting age 70½. If you have tax-deferred retirement assets or annuities, you need to look at required minimum distributions. It's also a good time to double check on your will, advanced health care directives, power of attorney and other financial documents. Some people discuss passing wealth on to heirs and to charities via gifting, trust and life insurance strategies.

Finally, it's a good idea to check in with us any time you need a reality check, or if markets suddenly change. Regardless of what happens, we're here to serve you. Call us any time.

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