



Dignum Financial Partners

Partnering with You

Upcoming Events

August 16: Social Security Seminar

August 31 – September 3: Kim and Shana will be at their planning retreat on a Disney Cruise. Ryan will be in the office.

September 3: Labor Day Holiday. Our office and the NYSE will be closed.

September 10: Kim's Birthday!

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July, 2018

Kim's Korner

Our newsletter last month focused on changes to Dignum Financial Partners. This quarter, our theme is also about change – changes many of us experience. Everyone on the Dignum Financial Partners' team has undergone some type of change in the past few months. Each one of us will share our story, but most importantly we will provide the financial decisions you should consider when these situations happen.

Medical Procedures

Many of you have witnessed the lovely braces I've been wearing in the past several months. While I'm happy to report, the braces are going away; however, they are being traded for full knee replacement surgery. This is certainly not unique to me; as we age, this is a very common occurrence. My surgeon is incredibly organized with a helpful checklist of all the things I need to address prior to the surgery – appointments with my family physician, a current MRI, vitamins to begin taking, vitamins to stop taking, pre-op exercises and more. What is missing is the financial checklist prior to surgery. The following is a list of items which should be addressed before any medical procedure.

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- **Insurance coverage** – the doctor's office will apply for pre-approval of your surgical procedure. It is important that YOU review your coverage as well. Make sure you are aware of any co-payments and/or deductibles so you can plan accordingly.
- **Emergency reserve account** – unfortunately unexpected medical costs are one of the many reasons we maintain an emergency reserve account. It is recommended to have six months operating expenses so you are prepared for this type of potential situation. Don't forget to consider your limitations. Will there be additional expenses incurred because of various household duties you will not be able to perform – housekeeping, yard, assistance while you recover which is not covered by your insurance, etc.? Your emergency reserve account can be tapped for these additional expenses, but with a prolonged recovery this could become very expensive.
- **Estate planning documents** – make sure you review your Estate Planning Documents. While this may seem extreme, planning is always a good practice.
 - *Medical Power of Attorney* – this is a legal document which authorizes someone to make medical decisions on your behalf if your doctor determines you are incapable of making these medical decisions.
 - *Medical or Advanced Directive* – this is a legal document that provides information to the physicians/hospitals of our medical wishes. Most hospitals request this document prior to surgery. (continued on page 2)

Medical Procedures (continued from page 1)

- *Statutory Durable Power of Attorney* – similar to a Medical Power of Attorney, this legal document allows the individual you designate to make financial decisions on your behalf should you be incapable of making these decisions.
- *Will* – this is a legal document which communicates your wishes as to the distribution of your assets at death. Similarly, a trust document may be needed contingent on your situation.
- **Beneficiary Review** – qualified plans (retirement plans, pensions, 401(k)s, IRAs, etc.) as well as life insurance policies and annuities all have beneficiary designations. These are individuals (or charities or trusts) which you designate to receive these assets in the event of your death.
- **Location of accounts** – with the number of accounts (savings, checking, retirement, investment, etc.) most people have, you should create a list of each account's information and keep in a central location.
- **Passwords** – given the large number of online sites and passwords we use daily, make certain to have a current list should your family need this information. This list should include information on bank accounts, credit cards, social media, cell phone access, etc.

While this list may appear excessive, know that by financially preparing for your medical procedure you will be ensuring your family has the information they need in case something catastrophic occurs.

Birth of a Child

What a difference a couple of months make. My world has completely changed; all in a good way. Vicky and I welcomed our daughter, Emma Ryan Dignum, into this world on May 26th at 8:10 p.m. While many of you are beyond childbearing years, there are numerous financial planning steps which should be considered both before and after a child is born. The following list can be shared with your children and/or grandchildren to keep them from making some costly mistakes.

Before the Baby Arrives:

- Review health insurance information and calculate the costs of coverage - similar to a medical procedure (see page 1), it is important to review your insurance coverage including deductibles and co-payments. We were surprised to learn that the two hospitals used by Vicky's OBGYN charge significantly different costs. By doing your homework you can eliminate unnecessary surprises. If you have questions on your insurance plans Human Resources is a good place to start.
- Plan maternity or paternity leave - planning your maternity/paternity leave is an important decision. If you are planning on staying at home with your baby, check into your paid time off (PTO) and/or your short or long term disability. Contact your Human Resources Department or the insurance carrier in advance to secure the necessary forms and avoid any delays in payment.
- Plan your pre-delivery and post-delivery budget – having a new member in your family is costly; even more so with a baby. Develop a budget to include medical expenses, time off from work, etc. prior to delivery. The post-delivery budget should include all the new expenses. This budget not only includes doctor's costs for the mother and baby, but diapers, clothing, wipes, furniture, car seat, the list goes on and on. Most importantly, include the cost of childcare.

Birth of a Child (continued from page 2)

In the Hospital

- Social Security Card – hospitals make arrangements for securing the social security number for the newborn.
- Birth Certificate - You must request the certificate from your local city's (Fort Worth, Dallas, etc.) website.

After Delivery

- Health Insurance – it is important to determine whose insurance plan will cover the newborn. If both spouses are covered on the same plan, obviously, this is a simple decision. If you each have different plans, research should be done as soon as possible. Considerations should include the deductibles, the individual out of pocket maximum, and the family out of pocket maximums. Typically, you have 30 to 60 days to add the newborn to your health insurance plan.
- Childcare - one of the most important and expensive considerations is childcare. If you and your spouse are both planning to return to work, you will need to determine who will care for your child. Childcare varies in types as well as costs. A traditional day care setting, a home daycare setting, or even having a nanny all vary significantly in cost.
- Life and Disability Insurance – A permanent plan of insurance for a child is very inexpensive and a smart way to protect their insurability. Most carriers have a waiting period before issuing a policy on a newborn, but this is a sensible gift you can provide your child. Additionally, this is the perfect time to review your life insurance coverage. With the addition of a child, the financial implications of one the parents' death can be severe. Additionally, it is important to check to ensure that your disability insurance is adequate on each parent.
- Beneficiary Review- this is also a good time to check your beneficiary designations. (See page 1 – Medical Procedures).
- Estate Planning - frequently a young couple has not completed their estate planning documents. With the birth of a child, this is imperative that these important decisions be made and indicated on the appropriate legal documents.
- Education Planning - Given the cost of college funding, now is an opportune time to establish a 529 College Savings Plan. Many times college funding is a gift grandparents wish to provide their grandchildren. You can establish a plan which is available for anyone to contribute to on the child's behalf.

Emma is truly a blessing, but with her comes quite a lot of financial responsibility!

Death of a Loved One

Shana has been on an emotional roller coaster this year. In February, her father had a very successful organ transplant. In May, her step-daughter both graduated from college and in June, she married! Unfortunately, June also brought the deterioration and death of Shana's beloved grandmother.

When a family member or close friend passes away, the least important thoughts are likely financial issues. Although Shana assists our clients regularly when dealing with the death of their loved ones, it of course, is much more challenging when it's someone so close to her. (Continued on page 4)

Online Account Access

Need a copy of a statement? Looking for a trade confirmation? Filing an extension and lost your 1099 tax form?

All of these things and more are available online. Access your online account through our website: www.dignumfinancialpartners.com, and click on the "account access" button.



If you have never accessed your account online and would like to get started, please feel free to contact us. We will be able to get you all set up in less than 5 minutes!

Don't forget to follow us on Facebook and Twitter!



Death of a Loved One (continued from page 3)

Whether you or a family member are responsible for the tasks associated with the loss of a loved one, the following is a list to items to consider.

- *Organ Donor* – organ donations need to happen immediately. Check the driver’s license and/or the individual’s Medical Directive. Hospitals will help you through this process.
- *Family Contacts* - This is one of the most difficult tasks. Check the deceased contact list on their cell phones or computers. Begin calling immediate family. If the list of friends is extensive, try and prioritize their closest friends and recognize the obituary will inform many of their other contacts.
- *Secure the Deceased’s Property* - depending on the situation you may want to make sure the deceased home/apartment and vehicles are securely locked. Notify the landlord if the deceased was renting. Photograph the contents of each room. If the deceased had any pets, determine who will care for them in the short term.
- *Funeral Preparations* - if the deceased did not leave funeral plans, you will need to take the lead on this planning. Consult with other family members to help decide what the deceased would have wanted. This entails a number of decisions.
 - Cost - determine what is affordable.
 - Funeral home - the funeral director will assist with the specifics – the casket, the burial site, type of service, headstone, religious traditions, music, etc. They will also secure multiple copies of the death certificate.
 - Veterans - If the deceased was a veteran you can find additional information at the Veterans Affairs website.
 - Obituary – partner with family members to ensure all of the important information is included in the obituary.
 - Support – enlist the help of family and friends for assistance at the funeral for pallbearers, child care providers, cooking, accounting of food, flowers, etc. and other necessary tasks. You can also rely on them for help with the reception or gathering after the funeral and the writing and/or sending of thank you notes.

Executor/Executrix

- If you are appointed as the Executor/Executrix you need to begin gathering financial records. Needed documents include:
 - Death certificate
 - Social Security card
 - Driver License
 - Birth certificate
 - Marriage certificate
 - Children’s birth certificates
 - Insurance policies (life, auto, homeowners)
 - Deeds and titles to property and automobiles
 - Stock certificates
 - Current tax return
 - Loan/liability information
 - Credit cards
- *Contact the financial advisors.* This should include the deceased’s attorney, financial planner, insurance representative and accountant. Each of them will offer assistance in their relative areas of expertise.
- *Notify the Social Security office.* This office will terminate monthly benefits as well as file for the Social Security death benefit.
- *Contact the Human Resources Department.* If the deceased was employed you will need to notify the employer and determine if any employee benefits are owed to the employee. You may wish to also contact the deceased’s immediate supervisor.
- *Notify life insurance companies.* If the deceased had life insurance (group term through work or an individual policy) you need to contact the insurer to request claim forms.
- *Detail monthly expenses.* Make a list of bills for the deceased. This will enable you to estimate the amount of funds to be kept in the estate account. (Continued on page 5)

Death of a Loved One (continued from page 4)

- *Close the credit card accounts.* Verify that the current balances are zero, then contact the credit card company to close the accounts,
- *Contact the banks where the deceased had accounts.* Determine how each account is titled and if the deceased had a safe deposit box.
- *Notify credit reporting agencies.* Contact the three major credit agencies (TransUnion, Equifax, and Experian) and close the accounts. This will decrease the chance for identity theft.
- *Cancel the deceased's driver's license.* Canceling the deceased driver's license also reduces the probability of identity theft. Contact the Department of Motor Vehicles in the state where the deceased resided.
- *Close social media accounts.* You may leave this as one of the final tasks until after the estate is settled. This may be one of the few methods of contact for long distance acquaintances of the deceased. If they haven't been notified of the death, this will alert you to their connection to the deceased and enable you to notify them.
- *Notify the election board.*

Depending on the types of assets and the registration of accounts, there are numerous additional steps.

These are only a few of the life events we all experience. While these checklists are not exhaustive, they are guidelines to help you through these situations. Please always feel free to contact our offices for assistance and recommendations when you encountered these and other challenges. We appreciate the opportunity to assist you.



**4816 Bryant Irvin Court Fort
Worth, TX 76107**

Phone: (817) 989-1300

Fax: (817) 989-1301

www.dignumfinancialpartners.com

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