



Dignum Financial Partners

Partnering with You

Upcoming Events

January 21:

Martin Luther King, Jr Holiday (the NYSE and our office will be closed)

January 24:

Health Expo

February 2:

Shana's Birthday

February 11 – 14:

Commonwealth Chairman's Conference (Kim will be attending in Palm Beach, FL)

February 18:

President's Day Holiday (the NYSE and our office will be closed)

March 1 – 4:

DFP planning retreat in Cabo, Mexico (our office will be closed)

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Volume XI, Issue I

January 2019

Kim's Korner

Happy New Year!

It's hard to believe how quickly 2018 went by. My Mother used to always say the older you get, the faster time flies. She was right yet again!

The New Year is a time of beginnings. Most of us make New Year's resolutions; either business or personal or both. One of the more popular goals is to lose weight and/or get into shape. Did you know that more memberships to fitness centers are sold in January than any other month of the year?

In keeping with this theme, we want to help you focus on your health. Health and wealth go hand in hand. You can have all the money in the world, but if you're unhealthy, it's difficult to enjoy your journey. If life hands you a difficult diagnosis, your financial situation may be impacted as well. According to the Aegon Center for Longevity and Retirement, "Globally, individuals in excellent health are seven times more likely to say they are extremely/very confident of achieving retirement than those in poor health."

On January 24, 2019 we will host a Health and Wellness Event. We are partnering with TransAmerica to bring you Dr. Bill Lloyd - Health Director for Transamerica Advanced Markets. He will discuss how positive lifestyle habits can create the foundation for a rewarding retirement. Stay tuned - invitations will be sent out soon.

In the meantime, don't worry, the M&M's will stay on the front counter!

Kim

In our July, 2018 newsletter, everyone at Dignum Financial Partners shared a personal life experience. We discussed how you should prepare for these situations financially. I was having surgery. Shana experienced the death of a loved one, and Ryan had the joy of the birth of his daughter, Emma.

This month, in discussing health and wealth, Ryan will share a deeply personal experience and the financial impact it has had on his life. He will provide both a financial planner's perspective as well as one from an individual who has "walked in those shoes" perspective.

Planning with a Cancer Diagnosis

For those of you who have been in the office over the past couple months, you may have noticed that I look slightly different. For those of you that haven't been in the office in the past few months, both my hair and beard are gone. They are not gone due to a change in style; nor just to shorten the time to get ready in the morning. The reason is because I am currently undergoing chemotherapy treatment. Back in May, a day after my 32nd birthday, I was diagnosed with testicular cancer. Two days later, I underwent surgery to remove the tumor. Following surgery, my tumor markers went down to a normal level. My Oncologist then scheduled me to have blood work completed every three months to ensure my levels remained in the normal range. Unfortunately, at my first follow-up, the markers were back up. I was then scheduled for a rigorous chemotherapy treatment plan.

Most of us think this sort of thing couldn't happen to us or that we are invincible; especially when we are young. Unfortunately, when you look at the statistics from the American Cancer Society, men carry a 39.7% chance and women carry a 37.6% chance of being diagnosed with cancer at some point in their lifetime. It is estimated that 1.7 million Americans will be diagnosed with cancer in 2019. While we may believe this won't happen to us, the odds are greater than 1 in 3 of being diagnosed with cancer. Although we can't spend our time worrying about whether we will be one of these statistics; we can be proactive when planning for this possible occurrence.

Health care is typically a private matter which is handled between the patient and their physician. A cancer diagnosis will touch the lives of everyone important to the impacted patient. The cancer patient and their team have a fair amount to discuss, contemplate, and plan including cancer therapy, recovery, career disruption, spouse and family member impact, potential financial challenges, everyday household logistics and more.

The following is a list of financial considerations everyone should review annually. By taking the time to "get your ducks in a row", should the unexpected happen, your focus can be on managing your health.

- 1) **Health Insurance.** Review your health insurance plan and its coverages. Are you comfortable with the deductible, out-of-pocket maximum, etc.? Insurance needs change over time so it is important to evaluate your situation at each open enrollment period.
- 2) **Cancer Insurance.** Does your employer offer "cancer insurance"? This is different than your regular health insurance and specific to different types of cancer and their treatment.
- 3) **Health Savings Account.** Does your employer offer a Health Savings Account (HSA)? An HSA is a type of savings account that lets you set aside money on a pre-tax basis to pay for qualified medical expenses. If you have a high deductible health insurance plan, an HSA can be used to pay for deductibles, copayments, coinsurance and some other expenses.
- 4) **Disability Insurance.** Does your employer provide disability insurance? If so, you need to review the benefits to determine if the policy covers time off while receiving cancer treatments.
- 5) **Paid Time Off/Sick Leave.** What kind of paid time off/sick leave does your employer provide? Does it accumulate each year or must it be used during a 12-month period? Become familiar with your plan so you're not met with any unexpected surprises.
- 6) **Emergency Reserve Account.** Everyone should maintain a liquid account equal to 6 to 12 months of their monthly operating expenses. An emergency reserve account will cover your expenses if you are unable to work for a period of time.
- 7) **Life Insurance.** Being diagnosed with cancer does not mean you will never be able to purchase life insurance. The diagnosis, however, will make you uninsurable for a period of time. Make sure to review the life insurance policies you already have in place.
- 8) **Long-term Care Insurance.** If you have personal long-term care insurance, review your coverages, specifically your elimination period.

Continued on pages 3-4

Planning with a Cancer Diagnosis *(continued)*

9) **Statement of Financial Position.** You will need to gather your current statements to update your Statement of Financial Position. We can assist with this, but would need the following information:

- a. Real Estate holdings
- b. Checking and savings account balances
- c. Certificates of Deposit
- d. Investments and brokerage account balances
- e. Retirement account balances
- f. Household items (personal property, automobiles, etc.)
- g. Debts

10) **Estate Planning Documents.** You should review all of your essential estate planning documents with an estate planning professional.

- a. Review how property is titled
- b. Wills
- c. Trusts
- d. Beneficiary designations
- e. All family documents (divorce papers, adoption papers, etc.)
- f. Durable Power of Attorney (Financial)
- g. Power of Attorney (Healthcare)
- h. Living Will (Medical Directive)
- i. HIPAA Release

11) **Income Sources.** Identify and review all of your income sources.

- a. Employment income
- b. Pensions
- c. Veteran's benefits
- d. Annuities
- e. Social Security
- f. Social Security Disability Income
- g. Supplemental Social Security Income
- h. Retirement Accounts (401(k), 403(b), IRA, etc.)
- i. Other income (rental properties, oil and gas royalties, etc.)
- j. Reverse mortgage

12) **Miscellaneous Documents.** There are several additional important documents you will need to locate and have available.

- a. Titles and deeds
- b. Birth certificates
- c. Passports
- d. Driver's licenses
- e. Social Security cards
- f. Marriage license
- g. Vehicle registrations

A cancer diagnosis can be very expensive. This may cause additional stress and anxiety. Anyone going through treatment wants the best possible care. Unfortunately, care is expensive. You will likely meet your deductible and out-of-pocket maximum quickly. Some care may fall outside of your health insurance policy which means you will likely have to cover one hundred percent of the cost. Sometimes, your desired care may be in a different location, adding to the cost. Having all your financial information available will assist you in making the right decisions.

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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: <http://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!



Planning with a Cancer Diagnosis *(continued)*

Once your financial house is in order, you will have many health related decisions to make:

- 1) You will need to select your cancer care team.
- 2) You should choose an Oncologist who is familiar with the type of cancer you have. Most importantly, choose someone you can trust.
- 3) Consider asking for a second opinion. (Personal note: this is one item I didn't do but at times question that decision.)
- 4) Reach out to your insurance company to discuss your diagnosis. Some insurance carriers have case managers who can assist you when the bills start to arrive.
- 5) Work with your cancer care team to gather information and to make informed decisions.
- 6) Decide on your initial treatment plan with your Oncologist. (Personal note: being a planner I like to have everything lined up so I know what to expect. Unfortunately, that will not likely happen with your treatment plan. It is subject to change depending on how you handle the treatments. I experienced some setbacks and came to realize it doesn't always follow the initial plan.)
- 7) Finally, build your home team. This can include people to drive you to treatments, appointments, run errands, help to cook meals, clean your home, and other items that will help to simplify your life. You will be shocked at how many people are willing to help. (Personal note: this was difficult for me. I am one that doesn't like to ask for help, but I quickly learned you will likely need help.)

Gathering all of your financial information as well as building your health care team are very important. Articulating your intentions to your loved ones is critical. Giving them the peace of mind that you have not only completed your planning, but you have given them the satisfaction of knowing they are doing what is important to you.

Being diagnosed with cancer can be a scary and life altering situation. Rest assured if you take the time to cover the bases outlined above, you will reduce your stress and allow you time to focus on your health. As a financial planner, I am aware of the importance of completing all of these items. As a cancer patient, I realize that this is not optional; it is mandatory. If we can assist you with any of these items, please feel free to contact us.

Did You Know?

2019 Contribution Limits

IRA: \$6,000 (\$7,000 for account holders age 50 and older) or 100% of earned income, whichever is less. A nonemployed spouse may contribute up to \$6,000 per year (\$7,000 for account holders age 50 and older) if joint taxable income permits. IRA deductions are limited based on the taxpayer's Modified Adjusted Gross Income (MAGI) and if the taxpayer is covered by a retirement plan at work.

Roth IRA: \$6,000 (\$7,000 for account holders age 50 and older) or 100% of earned income, whichever is less. A nonemployed spouse may contribute up to \$6,000 per year (\$7,000 for account holders age 50 and older) if joint taxable income permits. Roth IRA contributions are phased out depending on the taxpayer's MAGI.

SEP IRA: The lesser of 25% of W2 pay or \$56,000 (based on the first \$280,000 of compensation); the contribution is effectively limited to 20% of pay if filing Schedule C (Sole Proprietorship.)

Traditional 401(k): Employees can defer 100% up of taxable income up to \$19,000 (up to \$25,000 for employees for employees age 50 and older). Total employer/employee contributions cannot exceed \$56,000 (\$62,000 for employees age 50 and older).



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Dignum Financial Partners does not provide legal or tax advice.

You should consult a legal or tax professional regarding your individual situation.