

**Make life easier for your
survivors and executor!**

**Don't force them to search
everywhere for information and
guess what you envisioned for them.**

Overview

- Make living easier
- Making sense of financial matters
- Help for the caregiver or survivor

You can be helpful to your family and those who have to help administer your affairs after you die.

- You can save everyone a lot of time.
- You will save professional assistance costs and leave more to heirs.
- You will be more certain that your vision will become reality.

Make living easier

- You can make both your own life easier and, particularly, your survivors if you keep good records.
- We're going to go through a series of charts listing important elements to consider.
- You can use the charts as check lists to see if you are prepared to help survivors.

Home Maintenance Log

(Make entry for each event)

- Item, (e.g., Paint house interior)
- Date
- Work done by ...
- Phone / Address
- Description, (e.g., Parker Paint color 1105-61)
- Cost
- Comments

Service Schedule

- Autos
- Yard
- Physical Exams
- Dentist / Hygienist
- Computer
- Exterior Paint
- Interior Paint
- Furnace / AC
- Water Heater
- Roof
- Clean Gutters
- Sprinkler
- Tax Information
- Calculate Budget
- Award Programs
- Driver's License
- Passport Renewal
- Etc.

Orderly Home or Computer Files

- Phone, Addresses, Schedules, Instructions
- Affordable Budget, Bills Due & Bills Paid, Logs
- User Names & Passwords
- Investments, Income, Taxes, Ledger, Allocation
- Insurance including autos, home, liability, life
- Medical Log, Drugs, Medical Insurance
- Trip plans, Confirmation #s, Phones, Contacts
- Award Programs Point Status
- Wills, Power of Attorney, Dr. Directives, Location
- Copies or List of Items in Safe Deposit

List items in Safe Deposit box

- Computer Backup, User Names, Passwords
- Investment Securities, Mortgages, Trusts
- Financial Summary and Security Locations
- Wedding License, Birth Certificate, Soc. Sec. Card
- Several Death Certificates if deceased spouse
- Property and Auto Titles
- Insurance Policies, Photos of Valuables
- Copy of Wills, Power of Attorney, Dr's Directive
- Gift Tax Returns, Home Purchase Data
- Photo Copies of Credit Cards & Licenses

Making Sense of Finances

- Investments
- Taxes and Income
- Affordable Spending
- Estate

(We'll cover each of these in the charts that follow.)

Investment Summary

- Cash (Money markets, bank accounts)
- 401(k), 403(b), IRAs
- Taxable and Tax-Exempt Investments
- Investment Real Estate
- Home (Unlikely to be an “investment” unless you plan to downsize.)
- Allocations (% Stock, Bonds, Cash, Real Estate)
- Is there enough for emergencies?
- Is there enough for retirement?

Investment Tools

- ❑ Allocation Control Rules
- ❑ Investment History
 - Total annual value
 - Return on Investment
- ❑ Ledger entry for every action
 - Source of funds
 - Use of funds
 - ✓ Reinvest
 - ✓ Expense
 - ✓ Gifts
 - ✓ Taxes

Allocation Control Rules


- By setting out a simple allocation rule for survivors, they are more likely to buy and sell securities at the right time.
- An old-fashioned, but useful, control example is to maintain the percentage of sum of stock and equity in investment real estate within a few percent of 100 minus your age.
- Your survivor may need help from Certified Financial Planner (CFP).

Investment History

- Recording end-of-year total balances and Return on Investments (ROI) tell whether you have won or lost each year.
- ROI is % gain or loss each year.
- A good approximation of ROI is:
- [End of year balance – beginning balance – deposits + withdrawals] divided by [Beginning balance + $\frac{1}{2}$ deposits – $\frac{1}{2}$ withdrawals]
- Real growth is ROI minus inflation.

Investment History Example

ROI lets you know whether you or your advisor is handling your money well! For more ROI help, see [Free Return Calculator on www.analyzenow.com](http://www.analyzenow.com)

Year	Ending \$	Deposits	Draws	ROI
2009	100,000			
2010	105,000	20,000	10,000	-5%
2011	120,000	20,000	10,000	5%

Ledger Examples

This is a record of actions in investment accounts each year.

2011	Investments		Amount	How
Date	From	To		used
6-Apr	Vang. MM	Checking	12,000.00	New car
6-Nov	Checking	Vang. MM	3,000.00	Deposit
4-Dec	Vang. MM	Eqty-Inc. Fund	10,000.00	Reinvest

□ Details for Each Investment

- Name, Account number, current value
- In name of [him, her, both, with kids, etc.]
- Ownership: Joint or his separate or her separate
- Beneficiary, if any (Likely to bypass will)
- Cost Basis and Original Purchase Date
- Allocation (Stock, Real Estate, Bonds & Cash)
- Contacts, phone, address

□ Some Require More Details

- Bonds: Ladder for Treasuries, Corp. and Munis
- EE & I Bonds: Date, Value, POD or Joint
- Trusts, Funding future trusts, Trustees
- Annuities: Survivor %, Exclusions/Expirations
- Investment Real Estate: Basis, additions, depreciation, value, maintenance, taxes, distributions, ownership details, etc.
- Home Business
- Partnerships

Income

- Annual gross amounts from all sources
- Less withholding
- Less other deductions
- = Net monthly income
- **Estimate survivor's affordable spending from income and investments**

Retirees should make Affordable Spending calculations EACH YEAR.

- Social Security & COLA Pension
 - Spend **all of after-tax net payments** from these
- + Fixed Pension & Annuities
 - Spend only **after-tax net payments x Age / 100**
- + Draws from 401(k), IRA, Variable Annuity
 - If over 70, spend only **Required Minimum Distribution**. If under 70, withdraw only **last year's balance divided by years yet to live**.
- + Draws from other investments
 - Spend only **Last Year's Ending Balance / Years yet to live**.

Or can use a computer program
from www.analyzenow.com.

Estate provisions for survivors must be realistic. Need estimate!

- Surviving spouse's income sources
 - Social Security
 - Pension
 - Income from Estate Assets (Investments)
- Affordable bequests to children or other
- State & federal income & estate taxes

□ Estate plans (insurance, trusts, etc.) must be consistent with:

- Available funds less bequests & taxes
- Liquidity for practical funding
- Separate ownership, if any
- Beneficiary designations that bypass will.
- Ability to draw principal if necessary.
- Desire to preserve legacy
- Know which kids want which items before death to avoid arguments after death.

Help for Caregiver, Survivor

- Long-Term-Care Provisions
- Durable Power of Attorney
- Physicians Directive or Living Will
- Instructions for Survivors, Administrators
- Disposition of Small Business
- Disposition of Personal Effects, Property
- Location of important things
- Helpful Phone Numbers & Addresses

Phones, Email & Addresses

- Medical Assistance
- Church
- Funeral Parlor
- Best Friends
- Closest Neighbors
- Papers for Obituary
- Executor & Backup
- Trustee & Backup
- Computer Help
- Financial Advisor
- Lawyer
- Accountant
- Insuring Companies
- Social Security Admin
- Employee Benefits
- Broker
- Banker
- Mutual Funds

List **Locations** of important things:

- Will & Copies, Durable Power of Attorney
- Living Wills, Physician's Directive
- Safe Deposit and/or Safe and Contents List(s)
- Current and Archived Investment Files
- Investments, Titles, Insurance Policies
- Tax Data & Records
- Medical Information
- Checkbook(s)
- User Names & Passwords, Computer Backups
- Jewelry, Stashed Cash, Keys, Combinations

And, Importantly

- ❑ Plan for financial actions after death
- ❑ Provisions for survivor's welfare
- ❑ Letters with major messages for spouse, children & grandchildren, executor, trustee
- ❑ Priorities, things to do, things to destroy, things to save
- ❑ Obituary, Funeral and Burial Instructions
- ❑ Legacy of photographs, accomplishments

**This will be the best present you
can leave your survivors!**