

April
2019



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*For Major Life Events:
Ways to Cope Financially During and after a Big Change*

In life, there are times when major events hit you when it's least expected. Therefore, it's a good idea to be aware of ways to financially deal with major life events. I came across an article on FDIC's website that provides suggestions for staying focused and avoiding costly decisions during changing times.

The Death of a Family Member: Contact the deceased person's attorney and other financial advisors. Before committing to any funeral costs, consult with other family members and the lawyer about any prior instructions or arrangements.

Locate important documents, such as insurance policies and the most recent will (an original, not a copy). Obtain multiple copies of the death certificate, which will be needed to apply for death benefits (such as through life insurance policies or Social Security) and to access bank and brokerage accounts.

If the family's medical insurance is through the deceased person's employer, consider options for continuing coverage.

Also, if your family has deposits of more than \$100,000 at one bank, and one of the depositors or beneficiaries dies, you should review the coverage to determine whether funds exceed the insurance limits. The FDIC's rules allow a six-month grace period after a depositor's death to give survivors or estate planners a chance to restructure accounts. But if you fail to act within six months, you run the risk of, for example, joint accounts becoming part of the survivor's individual accounts, and that could put the funds over the \$100,000 limit. Also note that the death of an owner or a beneficiary named in trust accounts can reduce the deposit insurance coverage.

For more guidance about deposit insurance coverage, go to the FDIC's website.

A Medical Emergency: Carefully review all doctor and hospital bills and insurance claim payments/denials, because mistakes do happen and uncorrected errors can be costly. If you are unable to resolve a billing dispute with a doctor, hospital or insurer, contact your state consumer protection office or insurance regulator for guidance.

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Think twice before using credit cards to pay for large medical expenses, especially if you are already deep in debt or if it will take years to pay off the card balance, in which case the interest charges could add up significantly.

If you can't afford your medical or hospital charges, don't allow the debt to be turned over to a collection agency, which could damage your credit score. Instead, contact the service provider's billing department to try to negotiate a reduced bill or a payment plan with monthly payments. Also, ask about assistance from a government program or charitable organization.

You can also consider turning to a credit counselor for guidance, but choose one carefully because some offer questionable or expensive services and others may be scams. For guidance on choosing a credit counselor, visit the Federal Trade Commission's website:
<http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre26.shtm>.

If your medical bills are sufficiently high, you could qualify for a federal tax deduction, so be sure to save bills and cancelled checks or other receipts for your tax preparer.

A Job Loss: Try to keep spending under control so you can pay your bills using existing bank and brokerage accounts for the next three to six months. If possible, avoid withdrawing or borrowing money from your retirement savings. If you anticipate problems paying debts, such as your mortgage or the minimum due on your credit card, contact your creditors immediately and attempt to work out a payment plan.

One reason to keep loan and credit card payments current is so that you can maintain the best possible credit record. Prospective employers may review your credit reports when you apply for a new job.

Also, carefully review your employer's severance benefits, including the temporary continuation of your salary and health insurance, and try to negotiate a better deal.

We cannot always predict when a major life event occurs. It is my hope that this list has helped prepare you for the unexpected.

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