

Are Your Affairs in Order?

By Deirdre McGuire, Wealth Advisor

November 2020

Imagine being the pilot of a long nonstop flight. Imagine the alertness and vigilance required — you must constantly check speed, fuel, miles, altitude, and temperature gauges. You would never wait to correct an issue until you see flashing red lights, when it may already be too late. Rather, you would be constantly monitoring to ensure the flight path is clear and making the necessary adjustments.

It may seem obvious that a pilot needs to monitor all systems throughout the long flight. Yet when it comes to our finances, we often put our interests on autopilot and hope for the best.



Photo by Paul Brennan/Pixabay

Consider these scenarios:

Susan is married to her second husband, Alan. Her grown children live in different cities. Susan always managed the family's money. But since her stroke, she has been unable to keep on top of everything. Susan never documented her wishes nor had a conversation with her family about how she would like to be cared for or where she kept the financial documentation. Nobody knows that Susan's long-term care policy papers are in a box in the closet, or that the car title is in a drawer in the kitchen. Susan never expected to be unable to run the household, but the lack of planning has made the family struggle with both the medical and financial issues. Alan feels overwhelmed, and her adult children are unsure what role they should play.

John and Beth are both busy 42-year-old professionals. They have been in a relationship for six years, but they are not married. When they aren't working, they love to hike, bike, and enjoy everything the outdoors has to offer. John goes on a mountain biking trip with his friends and gets in an accident. He is seriously injured and is kept in a medically induced coma for several days; Beth is at his side but has no authority to make decisions. Beth is worried about John, but instead of being at the hospital she must meet with an attorney and go to court to be appointed as a legal guardian. Because John did not have the appropriate legal documentation in place, Beth lost valuable time, money, and control.

David and Sarah have been married for 47 years. They met with their estate planning attorney, who suggested they own all assets jointly. They updated their bank accounts and investment accounts to Joint Tenants with Rights of Survivorship (JTWROS) and designated each other as beneficiaries on their IRAs. They believed everything was in good order, but when David passed away, Sarah learned that the bank and investment accounts weren't the only things she should have ensured were joint accounts. She called the credit card company to let them know that David passed away, and it immediately cancelled the card; as she was only an authorized user on the account and not a joint account owner. She then had to apply for a credit card under her own name, but she qualified for a much lower credit limit because she didn't have the same credit history. Sarah then learned their car and the safe deposit box containing the car title were in David's name only. Sarah had to coordinate with the attorney for a Small Estate Affidavit to get access to the safe deposit box and update the car registration. Sarah was frustrated; she was grieving for her husband and then had to deal with "nonsense" when she thought she and David had taken care of everything.

James and Josh have been married for two years. Both have children from a previous marriage. They pool their assets and buy a house together. The house is put in JTWROS (title companies automatically title homes this way for married couples). Their bank and brokerage accounts are also titled JTWROS. James and Josh are in a car accident in which Josh dies immediately, and James dies a week later without a will. Title to all their joint assets passed to James immediately when Josh died. James's children are his only heirs. Due to poor planning, Josh's children are left with no access to any of the assets.

These stories illustrate the potential impact of having your financial affairs on autopilot. Life throws us headwinds and storms, and we sometimes deviate from the flight path. Reviewing your affairs will give you an opportunity to think about what is most important to you and how you can best protect yourself and those closest to you.

At GHP Investment Advisors (GHPIA), we recommend clients not only plan for death but also for life. Address what you want to happen should your ability to make decisions become impaired and express those wishes to your family.

The GHPIA Financial Concierge team seeks ways to assist clients with matters beyond their investment portfolios. GHPIA was founded on the premise that financial planning, investments, and tax planning should be inextricably linked. Consequently, we reach out to our clients each year to review their balance sheet, income statement, and insurance coverage, as well as their estate planning and other easily overlooked financial items. This process helps us maintain a 30,000-foot perspective of our clients' overall financial wellbeing and allows us to partner with our clients to help ensure that they're keeping their affairs in order.

Don't wait for flashing red lights or an issue to occur. Put your pilot hat on firmly and take control.

Are Your Affairs in Order? Your Financial Checklist

To make sure your financial affairs are in order, ask yourself these questions:

- Have you had conversations with family about your wishes?
- Does your spouse/family/trusted individual know how your financial matters are handled?
- Are your accounts and insurance policies properly titled, with the correct, current beneficiaries listed?
- Do you need to appoint a power of attorney on your bank, brokerage, or retirement accounts?
- Have you considered a power of attorney or a fiduciary appointment for tax matters, including allowing someone to sign a return in case you become incapacitated?
- Have you verified your account registrations and beneficiary designations?
- Have you had a major life event, such as a marriage, a divorce, a childbirth, a death in the family, or a move to a different state? If so, have you consulted your estate planning attorney or financial advisor to ensure everything is in good order?
- Is anybody dependent on you? Have you taken appropriate measures to make sure they are taken care of?
- Do you have a list of secure locations where you keep your financial documents? You can use our Financial Document Locator worksheet on the following page.



Financial Document Locator

Locations
A: _____ _____ _____
B: _____ _____ _____
C: _____ _____ _____
D: _____ _____ _____
E: _____ _____ _____
F: _____ _____ _____
G: _____ _____ _____

Item	Location						
	A	B	C	D	E	F	G
My will							
Powers of attorney							
Medical durable power of attorney							
Spouse's will							
List for disposition of personal property							
Fire safe							
Fire Safe key							
Life insurance policy							
Property and casualty policy							
Health insurance policy							
Homeowners insurance policy							
Car insurance policy							
Title insurance							
Trust agreements							
Employment contracts							
Partnership agreements							
Title and deeds of real estate and land							
Auto ownership records							
Social Security cards							
List of checking and savings accounts							
Bank statements, cancelled checks							
Record of investment securities							
Corporate retirement plan							
Income and gift tax returns							
Notes and other loan agreements, including mortgages							
List of credit cards							
Birth certificates							
Passports							
Property inventory for insurance purposes							
Marriage certificates							
Divorce/separation records							
Names and addresses of relatives/friends							
List of professional and fraternal organization memberships							
List of stored and loaned valuable possessions							
List of professional advisors							
Asset list							
Disability income policy							
List of medications you take regularly							
Usernames and passwords for email, online banking, utilities, and social media profiles							
Location of safe deposit box, key, name of owner, and names of those with access							
List of charities you support and charitable donations you make regularly							
List of recurring bills and account information – utilities, phone, cable, internet, water, sewer							