

8 Times You Should Contact Your Financial Adviser

Whether you experience a job change or begin caring for aging parents, your financial adviser can help manage the impact on your financial plan.

Hopefully, your financial adviser regularly reaches out to you via emails, videos, articles or phone calls when they have important information to share with you. But when should you contact your adviser?

There are many life events that could prompt you to consult them, and I thought we would cover some of the more common reasons for you to reach out.

1. Change in Job Status.

If you change jobs, there are several reasons to consult your adviser. Deciding if you should roll over your retirement plan is tops among them. You might also need to review your new company's benefits package, including insurance (health/life/disability), 401(k) plan, tax withholding, etc.

The new job could also entail more or less expenses related to commuting, mileage, etc., which could all affect your financial plan. Losing a job requires planning for health insurance, cash flow, etc.

2. Children or Grandchildren Preparing to Go to College.

Ideally, two years before your child or grandchild go to college, you should run a mock FAFSA (Free Application for Federal Student Aid) to get an idea of where you stand regarding financial aid. Since the FAFSA now looks at your tax return from two years prior, you might want to do some proactive planning to potentially reduce your expected family contribution (EFC), which could help lower the out-of-pocket cost of college.

3. Change in Marital Status.

A marriage or divorce can obviously have a dramatic effect on your financial plan. Alimony, child support, pension or retirement plan divisions can all add up to a major change in your future circumstances.

A marriage, especially a second marriage, requires additional planning, particularly if assets are intended to stay with each of your respective families.

4. Death or Care of a Parent.

Estate planning for your aging parents can mean the difference between preserving an inheritance or potentially costing you money. Sadly, I've seen many children of aging parents have to postpone their own retirement due to the costs associated with helping parents. Proper planning could help mitigate these costs.

5. Planning to Retire.

While the prospect of retirement is certainly appealing, there are many decisions that need to be made in preparation for retirement itself.

Health insurance, Social Security claiming, pension options and retirement plan distributions are all things to be considered before you stop working.

6. Birth of a Child or Grandchild.

A new baby brings lots of joy but also a lot of required time, and sometimes planning is the last thing on your mind. Things to consider are 529 college savings plans and reviewing your life insurance and your overall estate plan. Important decisions need to be made, such as who would have guardianship of your child if something happened to you.

7. Change in Your Health.

A change in health status can require your financial plan to need revisions. Revised life expectancy assumptions or increases in expenses tend to be the most common changes.

8. Major Purchase.

Ideally, you should contact your adviser **before** making a major purchase. Advisers could help decide the most tax-efficient assets to use or if financing is appropriate. Also, what are the effects of this new purchase on the viability of your plan?

Great communication between clients and advisers is crucial for the quality of both the relationship and the accuracy of the plan itself.

Source: Kiplinger.com

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