

2023 · WHAT ISSUES SHOULD I CONSIDER IF MY SPOUSE HAS BEEN DIAGNOSED WITH A TERMINAL ILLNESS?

| CASH FLOW ISSUES | YES | NO |
|---|--------------------------|--------------------------|
| <p>Do you and your spouse need additional cash flow now? If so, consider the following:</p> <ul style="list-style-type: none"> Accelerated death benefits or a life settlement on any life insurance policies could provide access to proceeds during your spouse's lifetime. Regardless of age, distributions from your spouse's retirement account could avoid a 10% penalty (if their doctor expects they will pass away within 7 years). Distributions may also be repaid within 3 years. If there is group life insurance, an accelerated benefit rider may be available for terminally ill policyholders. | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Will your spouse need long-term care in a nursing home or home health care? If so, consider the financial impact it will have on cash flow and assets. Consider Medicaid planning and reverse mortgages.</p> | <input type="checkbox"/> | <input type="checkbox"/> |

| ESTATE PLANNING ISSUES | YES | NO |
|--|--------------------------|--------------------------|
| <p>Does your spouse need a new or updated Will and/or Trust?</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Does your spouse need new or updated General and Health Care Powers of Attorney and a Living Will? The Powers of Attorney will allow your spouse to designate a representative in the event of incapacity, and the Living Will expresses end-of-life wishes.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Will your spouse's estate exceed their remaining federal estate and gift tax exclusion amount (\$12.92 million, if no lifetime use), or will your combined estates exceed your remaining combined exclusion amounts (\$25.84 million, if no lifetime use)? If so, consider strategies to plan for a possible federal estate tax liability.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Do you need to develop a gifting strategy? If so, you and your spouse can each gift up to your annual exclusion amount of \$17,000 (per year, per donee) gift tax-free. (continue on next column)</p> | <input type="checkbox"/> | <input type="checkbox"/> |

| ESTATE PLANNING ISSUES (CONTINUED) | YES | NO |
|--|--------------------------|--------------------------|
| <p>Do beneficiary designations need to be updated? Check to see if beneficiary statuses have been updated for all accounts, retirement plans, and insurance policies.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Do the titles of your accounts (investment and bank) need to be reviewed or updated? Consider adding TOD to any brokerage accounts, POD to any bank accounts, or titling accounts to a revocable living trust to avoid passing through probate.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Are there digital assets that should be preserved? Steps should be taken prior to your spouse's passing to ensure that digital assets transfer to heirs.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Do you and your spouse own multiple properties? Ensure that residency is clear for probate purposes and consider titling out-of-state real property to a revocable living trust to avoid the potential for probate occurring in multiple states.</p> | <input type="checkbox"/> | <input type="checkbox"/> |

| INSURANCE ISSUES | YES | NO |
|--|--------------------------|--------------------------|
| <p>Can your spouse take steps now to plan for Medicaid? If so, remember the look-back period is generally five years from the date of Medicaid application.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Does your spouse have any long-term disability insurance or life insurance? If so, consider the following:</p> <ul style="list-style-type: none"> Your spouse may be able to elect the "disability waiver of premium." Review the elimination period and file a claim accordingly. | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Is your spouse currently employed? If so, your spouse may be eligible for short-term disability benefits through work.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Does your spouse have LTC insurance, an LTC rider on life insurance or on an annuity, or critical illness insurance? If so, review the benefit triggers for the policy. (continue on next page)</p> | <input type="checkbox"/> | <input type="checkbox"/> |

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| INSURANCE ISSUES (CONTINUED) | YES | NO |
|--|--------------------------|--------------------------|
| <p>If your spouse is eligible for Social Security Disability Benefits, will there be a need for health insurance? If so, remember that your spouse must be receiving benefits for two years before becoming eligible for Medicare, if under age 65.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Will the illness prevent your spouse from working? If so, reference the "Do I Qualify For Social Security Disability Benefits?" flowchart to see if your spouse is eligible for benefits.</p> | <input type="checkbox"/> | <input type="checkbox"/> |

| TAX PLANNING ISSUES | YES | NO |
|---|--------------------------|--------------------------|
| <p>Do you need to determine whether medical expenses will be deductible? If so, your spouse can deduct unreimbursed medical expenses that exceed 7.5% of AGI, which includes: transportation to healthcare appointments, modifications to a home or car for medical reasons, privately hired in-home healthcare employees, and possibly LTC insurance premiums (limited based on age).</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Will unreimbursed medical expenses exceed your taxable income? If so, consider doing a Roth IRA conversion to take full advantage of the medical expense deduction.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Is there a capital loss carryforward on your tax return attributable to your spouse? If so, consider selling an asset at a gain to offset the carryforward loss. Your spouse's carryforwards can be used on their final tax return, but will be lost thereafter.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Are there any unrealized tax losses in an account owned by your spouse? If so, consider harvesting the unrealized losses or consider gifting the asset to preserve the loss and avoid the step-down in basis.</p> | <input type="checkbox"/> | <input type="checkbox"/> |

| ASSET & DEBT ISSUES | YES | NO |
|---|--------------------------|--------------------------|
| <p>Will there be any debts that will be due upon death (commercial loans or medical expenses) or will any debts be discharged upon death (student loans)?</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Does your spouse have any stock options, grants, or restricted stock units? If so, consider planning opportunities and how these assets will impact your tax liability and your cash flow planning.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Will there be expenses that require you to sell any investments?</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Did your time horizon, investment objectives, or risk tolerance change?</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>If your spouse is a business owner, do they have an exit strategy or a succession plan?</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>If you have annuities or illiquid assets, do they need to be reviewed to understand options?</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Do you own taxable investments with an unrealized gain? If so, consider gifting them to your spouse so that you receive a step-up in basis at their death, if their death occurs more than one year after the date of the gift.</p> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>Could there be pensions and/or employer retirement benefits that you may be forgetting?</p> | <input type="checkbox"/> | <input type="checkbox"/> |

| OTHER ISSUES | YES | NO |
|--|--------------------------|--------------------------|
| <p>Are there any state-specific issues that should be considered (including out-of-state property or estate tax liability)? If so, some states have unique rules that can have a material impact, such as a liability for the surviving spouse to pay for the expenses associated with the illness of the spouse.</p> | <input type="checkbox"/> | <input type="checkbox"/> |

Root. Nourish. Grow.

If Money wasn't a barrier, what would your life look like? This is a question we ask each and every client. How would you like your money to support your life? We believe that "Life is about events, supported by your dollars and cents" and at Rooted Planning Group, we know that when your roots are strong, your trunk and branches are well positioned for growth.

We want to ensure you get to that ideal life in the most graceful way possible. So you can save for that big purchase, send the kids off to college, and retire! Rooted Planning Group is a fee only planning group, so we only do what is in your best interest.

A Message from our Founder, Amy Irvine, CFP®, EA, MPAS®, CCFC

I started Rooted Planning Group out of frustration, because I really wanted to help clients build their wealth in a "different" way than the traditional wealth management firm. We are an all-female, ensemble fee-only financial planning firm, and I established our firm to always act as a fiduciary. Our services include cash flow analysis, goal planning, debt reduction and planning, student loan planning, tax planning (and preparation), education planning, investment planning, employee benefits, and risk planning.

We typically work with professional women and couples who fall in the Gen-Y, Gen-X or late-stage baby boomer age range. A fair number of our clients are lawyers, engineers, and small business owners.

It is our greatest desire to help other women feel empowered about their finances. We strive to help people grow their wealth, which sometimes means we start in the negative, with the goal of growing to the positive.

For more information and disclosures about our firm, visit: www.rootedpg.com

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