

IT'S ASCENTIAL TO KNOW



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HOW DO I PREPARE MY FINANCES FOR MY LOVED ONES?

By Kristin Rognerud

Are you the Chief Financial Officer of your family? What would happen if you passed away today? Have you prepared the other members of your family to take over the household finances if something happens to you?

Working closely with families through many difficult situations where a loved one passes or becomes severely ill, it is our observation that a little planning in advance can go a long way. Making sure your family is prepared to manage finances in the event of your death or incapacity involves more than just updating will and trust documents. If you are the primary financial person in the family, it is critical that you make sure that someone else knows what to do. If you are married, your spouse should be informed, or if not a trusted friend or other family member should be

clued in on where to find the information needed to manage household business. The stress of a situation where you are injured or pass away unexpectedly is hard enough for your loved ones, and doing some small things in advance can make a big difference.

One simple step is gathering all critical financial documents into a secure location and sharing it with your spouse or trusted party. Maybe you already have compiled information in a fire safe, secure electronic file, or safe deposit box, but making sure that your family knows where to look, is just as important. In the case of a safe, you should disclose the access code, and with a safe deposit box, your spouse or trusted party should be granted access as well.

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Kristin Rognerud
Financial Advisor

DID YOU KNOW?

The number of electronic devices that are “connected online” (e.g., laptops, smart phones, cars, appliances, watches, security systems) surpassed the world’s population in 2010. Within 4 years (by 2020), the number of devices and objects that will be “connected online” will reach 50 billion. The globe’s population is 7.3 billion today (source: Federal Trade Commission).



ONLINE FILE-SHARING PLATFORM

By Lori Spilde

Raymond James recently introduced an online file-sharing platform called Vault. Accessible through Investor Access, Vault is a simple and secure process for sharing documents between you and Ascential Wealth Advisors. The Vault platform allows for documents to be shared securely without the need for encrypted emails or paper forms. Documents can be uploaded to the Vault, commented on, printed, and shared by both the advisor and client, with most file types (PDFs, Word documents, Excel files, etc.) supported. Clients and advisors will receive an email when documents or comments are added by one another. Popular items to store in the Vault include: insurance policies, outside 401K

statements, tax returns, social security or pension statements, trust documents, and any other financial planning related materials. All documents are stored and available for future viewing, and will not be deleted unless you select to remove them. If you are enrolled in Investor Access, you already have access to Vault. When you are logged in, you will now see a tab for “Vault” next to “Account Services” where you can go to explore and use this convenient new feature. If you are not enrolled in Investor Access and would like to be, let us know and we will help you get logged in. We are excited to use this new tool as a communication method for planning and investment conversations.



Lori Spilde
Client Services Manager

**“PLANNING IS BRINGING THE FUTURE INTO THE PRESENT
SO THAT YOU CAN DO SOMETHING ABOUT IT NOW.”**

ALAN LAKEIN

THE ABCS OF MEDICARE

By Dave Kohlhaas

Medicare is a central part of retirement for the majority of Americans, and most people have heard the terms for the different “Parts” of the program, but what do all those letters mean?

Part A: “Hospital Insurance” – This is part of the original Medicare plan, and helps pay for stays in hospitals or skilled nursing facilities, home health care, hospice care, and medicines administered to inpatients. There are no premiums for this, however copays and deductibles apply. Individuals are automatically enrolled in Part A when they turn 65.

Part B: “Medical Insurance” – You are automatically enrolled in Part B when you enroll in Part A unless you specifically decline it. Part B helps pay for physician and outpatient services, including rehabilitation, lab tests, medical equipment, and some home health and preventive services. There is a monthly premium associated with this coverage which varies depending on income, plus there are copays and deductibles for care.

Part C: “Medicare Advantage” – These are optional comprehensive health coverage plans that an individual can elect to purchase in addition to Parts A and B to provide broader coverage of services. Medicare Advantage plans are sold by private Health Maintenance Organizations (HMOs) or Preferred Provider

Organizations (PPOs) and can be structured in a variety of ways with differing premiums and copays depending on the option selected. Prescription drug coverage may be offered as part of these plans as well.

Part D: “Prescription Drug Coverage” – This provides prescription drug coverage to help pay for prescription drugs you use at home along with insulin supplies and some vaccines. You can elect to purchase this coverage and pay a premium based on your income and the plan you select, or you might elect to get prescription coverage through Part C instead.

Supplemental insurance: “Medigap” – There are 10 standardized Medigap policies which can be purchased to help with various costs that the other parts of Medicare don’t cover to help minimize out of pocket expenses. There are premiums and copays for this coverage which vary depending on the plan selected. If you have Medicare Advantage (Part C) coverage you cannot also have a Medigap policy.

Annual Enrollment: Medicare’s annual enrollment period from October 15 to December 7 each year allows participants the opportunity to revise their elective coverage for parts C, D or Medigap. While we are not experts in helping clients select the coverage that is best for them, we know professionals who specialize in this and can assist clients in choosing the best plan for their needs.



Dave Kohlhaas
Financial Advisor

DID YOU KNOW?

Government outlays for Medicare have increased +9.8% annually over the last 40 fiscal years, rising from \$13 billion (1975) to \$546 billion (2015). Inflation, as measured by the Consumer Price Index, has increased +3.7% annually over the same 40-year period (source: OMB, Department of Labor).

HOW DO I PREPARE (CONTINUED FROM COVER)

Some documents that are helpful to include are:

- **Legal documents – powers of attorney, will, trust agreement, health care directive**
- **Insurance policies – life, disability, long-term care**
- **Titles/deeds for assets**
- **List of asset accounts – bank, brokerage, retirement**
- **List of liability accounts – credit cards, mortgages, other loans (student, auto, etc.)**
- **List of professional advisors – attorney, accountant, banker, financial advisor**

Even if you have not shared the details of your financial situation, having this information in a central location makes it easier for someone who is less familiar to step in and quickly understand what you have and what needs to be done. When possible, it is also a good practice to introduce your spouse or other trusted party to your professional advisors so that there is a familiarity before something happens and they know who to turn to for help.

A checklist of to-do items for preparing your finances for your family:

- ✓ **Review & Update legal documents if necessary**
- ✓ **Review & Update beneficiary designations and asset titling to match your wishes**
- ✓ **Review insurance needs**
- ✓ **Gather important documents in a secure location**
- ✓ **Let your family know where to look for the information**
- ✓ **Share as much as you are comfortable with your family before something happens**
- ✓ **Revisit and update documents periodically to ensure they are relatively current**

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