

2009 Legal and Financial Planning Calendar

By Darlynn Morgan, Attorney

We start the year with good intentions, don't we? Many of the planning ideas that follow have been on your "to do" list for years. So as you approach 2009, here is a guide for tackling the items that will improve your financial life. Instead of becoming overwhelmed, approach the year in "month-sized" portions.

January

Planning Idea: Have changes in your personal situation occurred in 2008? Did you get married, have a child or grandchild, become widowed or divorced – there may be important new legal and financial considerations that now come into play. These might include reviewing beneficiary designations on life insurance and retirement accounts, property ownership, providing for children's welfare, estate planning, and payroll deductions.

Did you start a business? Change jobs? Retire? Buy a house? Any of these may alter your budget significantly and you may need to adapt accordingly. Contact a CPA or Financial Advisor to help out.

February

Planning Idea: Give thought to your estate plan – to how you intend your assets to be distributed at your death. Federal estate tax may be a factor. Estate tax will apply for 2009 and for a number of years thereafter (for 2009 it will apply if net assets left to persons other than your spouse or charity exceed \$3,500,000.) And if it's

been awhile since you have reviewed your estate planning documents, then you must see an attorney to ensure that everything is up to date. The laws have recently changed and many people have documents that are outdated.

March

Planning Idea: How are you doing on your retirement funds? How much have you accumulated? How much do you need to retire comfortably at the desired date? Review the asset allocation of your portfolio. Should you shift some stock investments into or out of certain types of investments? Contact a Financial Advisor for professional advice in determining how much you should be saving and what the best investment vehicles are.

Planning Idea: If you were age 70 & 1/2 last year, and did not take the required minimum distribution from your retirement plans, prepare to take a withdrawal before April 1. Again, professional guidance will be helpful here.

April

Planning Idea: Prepare a Location List – a comprehensive list of all your accounts, financial and otherwise, and all Internet usernames and passwords. Keep it in a secure location to avoid identity theft. The List should also contain the names of all your advisors, and any other information your family should know to minimize your family's burden should the unexpected happen to you.

May

Planning Idea: Evaluate the protection of your assets. Review your Homeowners Insurance; Car Insurance; Investment Property/Casualty Insurance. Perform an inventory of your non-financial assets (home, furniture, cars, personal belongings). Compare this inventory to your property insurance coverage. Is your insurance adequate for your assets? You may need a rider to your policy for certain items such as jewelry. If some assets are no longer in use, consider selling them or donating them to charity for a tax deduction.

June

Planning Idea: This month, review your life, health, and disability insurance policies. Make sure you have adequate coverage. Consult with your insurance advisor as to the appropriate amounts for your age and income. Consider getting Long Term Care Insurance. Don't forget to protect your greatest asset of all – your income earning ability – with long-term disability insurance.

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July

Mid-Year review: Compare January to June income and expenditures with your budget. Make adjustments as appropriate to your August expenditures. Make sure you have invested your planned savings amount over this period.

August

Planning Idea: Order a copy of your credit report. A federal law allows you to get a free copy of your credit reports once a year from each of the three major credit agencies, Equifax, Experian and TransUnion. One official website allows people to get a free credit report: www.annualcreditreport.com.

Read the report carefully and report any discrepancies to the appropriate agencies. This not only ensures that the records are accurate, but helps prevent others from obtaining credit in your name.

September

Planning Idea: Request a Personal Earnings and Benefit Estimate Statement from the Social Security Administration. This can be done using Form SSA-7004, or go to www.ssa.gov/mystatement. This statement summarizes your social security earnings history and provides an estimate of the benefits to which you are entitled. It is important to verify that you have been credited for all of your earnings. You can also use this statement in your retirement planning.

October

Planning Idea: Discuss with your spouse your respective wishes concerning health care and funeral arrangements. These are not pleasant tasks, but it is important

that others know your wishes should you be incapacitated. Create an Advance Directive to document your decisions.

Planning Idea: Take the time to review legal title on each of your assets. Why? Because legal title controls the disposition of an asset – not necessarily what your trust or will says. Your estate plan may not work the way you want it to if your assets are not properly titled – which is often the case.

November

Planning Idea: Start your year-end planning now. Estimate your taxes due for the year, and determine what steps you should take before year end to minimize them. Consider making charitable contributions before year-end both to obtain the maximum tax deduction and to fulfill any charitable programs or commitments you may have established.

Planning Idea: If your estate planning indicates a potential estate tax liability, consider making gifts before year-end to minimize estate taxes. You can give away \$13,000 a year (\$26,000 if you are married and your spouse elects to participate) to **each** of a number of donees free of gift tax, thereby reducing your estate tax liability.

December

Planning Idea: Consider paying tax-deductible expenses prior to year-end. Some common examples are real estate taxes, quarterly state or local income taxes, investment-related expenses, dues. These must be paid by December 31 to obtain a deduction this year. Contact your tax professional for guidance.

Planning Idea: Evaluate your progress for the year. How close were you to your budget? Recalculate your net worth. Compare it to the value at the beginning of the year. How did you do?

**Some of these may not apply to your particular situation. Professional guidance should be sought to help you to determine whether, how and when to implement any of these suggestions.*



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