

2021 · WHAT ISSUES SHOULD I CONSIDER WHEN HAVING (OR ADOPTING) A CHILD?

CASH FLOW ISSUES	YES	NO
<p>Do you need assistance to determine how much it will cost to raise a child? If so, consider the possible healthcare, childcare, and college education costs.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you need help with your new budget? If so, consider the following:</p> <ul style="list-style-type: none"> You may need to review your budget to find areas to save on current expenses, while appropriately increasing or adding new expense categories to accommodate your growing family. You may need to reassess your long-term financial goals to align with your updated cash flow. You may need to increase your emergency fund to account for any new expenses. 	<input type="checkbox"/>	<input type="checkbox"/>
<p>Will you and/or your partner take maternity/paternity leave? If so, consider how this will impact your cash flow and savings.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you want your partner (or yourself) to stay home to raise children? If so, consider the following:</p> <ul style="list-style-type: none"> The impact on your cash flow and savings. The impact on your emergency fund due to living on one income. The possible impact on employer benefits such as health and life insurance. 	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do both you and your partner expect to return to work? If so, consider the cost of daycare or a nanny and the impact on your household budget.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you need to check to see if your employer offers any benefits (childcare subsidies, maternity/paternity leave)?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Beyond what you have saved, do you need additional cash to cover any costs related to having (or adopting) a child? If so, consider taking a distribution up to \$5,000 from your traditional IRA, within one year of having (or finalizing the adoption of) a child. The distribution is taxable as ordinary income but there is no 10% penalty.</p>	<input type="checkbox"/>	<input type="checkbox"/>

ASSET & DEBT ISSUES	YES	NO
<p>Do you expect your child to receive cash gifts? If so, consider opening a custodial account (UGMA or UTMA) and possibly a 529 account.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Does your employer offer a Dependent Care Flexible Spending Account? If so, consider making contributions to the account. The account can be used to pay for qualified childcare expenses.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you have an HSA? If so, you may be able to contribute \$3,600 (\$7,200 for family) and an additional \$1,000 if you are age 55 or over. See "Can I Make A Deductible Contribution To My HSA?" flowchart for details.</p>	<input type="checkbox"/>	<input type="checkbox"/>

INSURANCE PLANNING ISSUES	YES	NO
<p>Do you need to add your child to your health insurance policy? If so, you generally have 30 to 60 days to do so.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you need to find a doctor or pediatrician in your insurance network?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you need to review life insurance and disability coverage? If so, consider increasing the amount of coverage you need (to fund future child-related expenses such as college costs).</p>	<input type="checkbox"/>	<input type="checkbox"/>

TAX PLANNING ISSUES	YES	NO
<p>Is your Modified Adjusted Gross Income (MAGI) below \$200,000 (Single) or \$400,000 (MFJ)? If so, you may qualify for the Child Tax Credit. The credit is worth up to \$2,000 per qualifying child. (continue on next page)</p>	<input type="checkbox"/>	<input type="checkbox"/>

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TAX PLANNING ISSUES (CONTINUED)	YES	NO
<p>Do you have child or dependent care expenses that were required in order for you and your spouse (if applicable) to work or search for work? If so, you may be eligible for the Child and Dependent Care Tax Credit, which is worth up to a maximum of \$1,050 for one qualifying child and \$2,100 for two or more qualifying children (subject to restrictions).</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Is your MAGI below \$256,660, and did you adopt a child? If so, you may be eligible for the Adoption Tax Credit, which is worth up to \$14,440 (subject to phase-out restrictions).</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you need to update how much is withheld from your paycheck? If so, consider updating your W-4.</p>	<input type="checkbox"/>	<input type="checkbox"/>

OTHER ISSUES	YES	NO
<p>Are there any state-specific issues that should be considered? If so, some states offer state tax benefits (state-level Child Tax Credits, 529 contribution deductions or credits, etc.).</p>	<input type="checkbox"/>	<input type="checkbox"/>

LONG-TERM PLANNING ISSUES	YES	NO
<p>Do you want to start saving for your child's education? If so, reference "What Issues Should I Consider To Fund My Child's College Education" checklist.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you want to start saving for future expenses for your child (such as a wedding or college)?</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Do you need to review your beneficiary designations and estate plan? If so, consider the following:</p> <ul style="list-style-type: none"> ■ Consider how the estate plan should be changed (such as needing a trust and trustee). ■ The child, or a trust for the benefit of the child, could be added as a contingent beneficiary to many accounts. ■ Appoint a guardian for the child if something were to happen to you and your partner. 	<input type="checkbox"/>	<input type="checkbox"/>

MODERN WEALTH MANAGEMENT

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1801 N. California Blvd. Suite 101 Walnut Creek, CA 94596
www.echo45advisors.com