Detroit Area Bogleheads presents:

Topic #1: How Will You Ensure Someone Can Take Over Your Financial Affairs if Something Happens to You?

- What does this look like?
- Do you have a “Money Book”?
- Format? Special considerations?
- Share your tips at the meet-up
- Send input to detroitbogleheads@yahoo.com

How Will You Ensure Someone Can Take Over Your Financial Affairs if Something Happens to You?

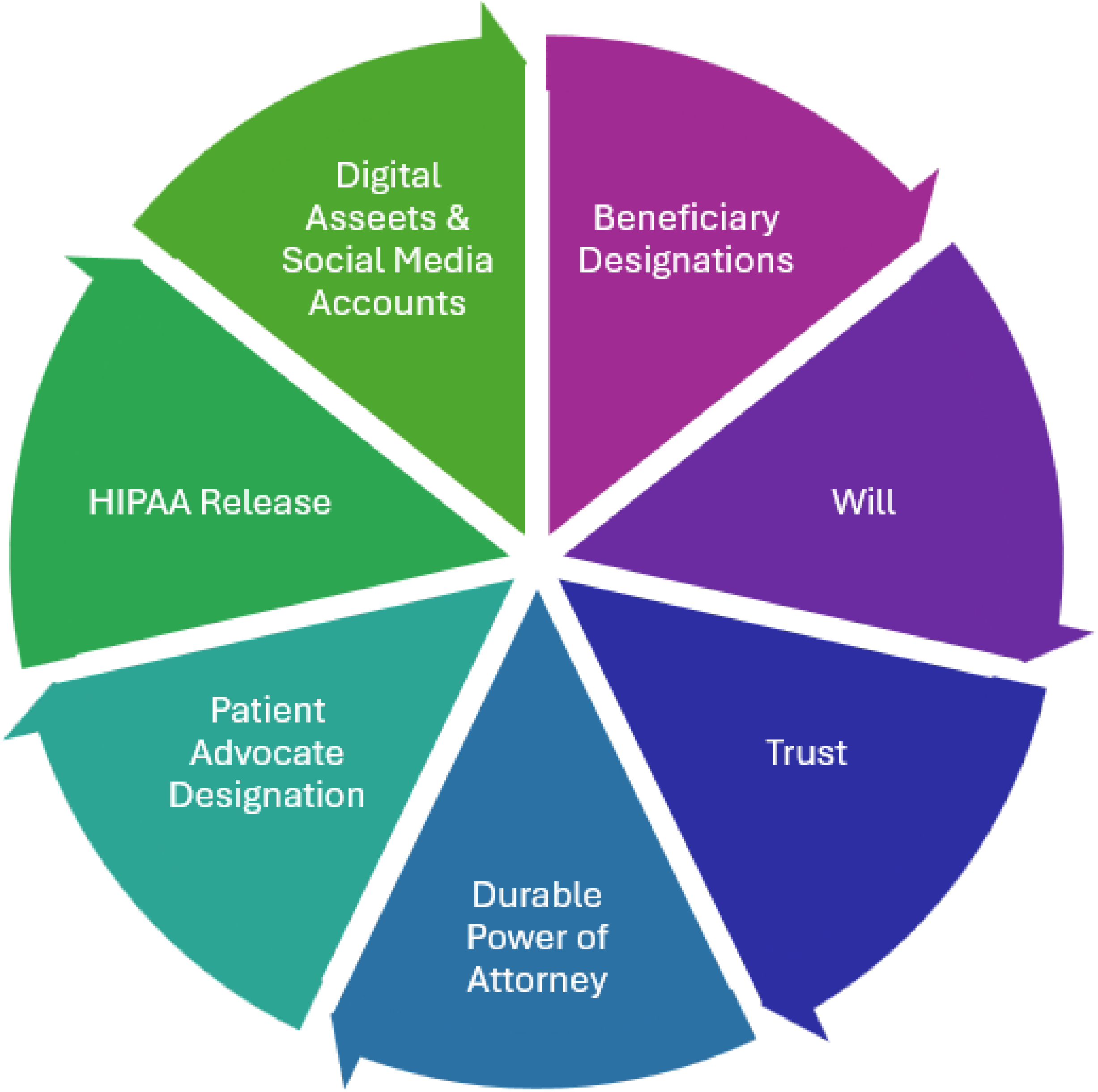
Agenda

- What do we call it?
- Why is it important?
- Format?
- Contents?
- Resources?
- Special Considerations?
- Real-Life Examples + Open Discussion
- Additional Resources

Assumption

Estate Documents are all in place
(ref May 2024 Detroit Bogleheads Mtg)

All of these are already in place!



What Do We Call It?

- Money Book/Binder
- Blue Book/Binder (Rob Berger)
- Death Book
- The “How To” Playbook
- Cognitive Decline Book
- Master Directory
- Road Map
- Check List
- Letter of Intent
- Letter of Instruction

Why is it important?

Why is it needed?

COGNITIVE DECLINE

DEATH

HEALTH ISSUES

DISTANCE (out-of-state/USA)

ACCIDENT

FRAUD

Who will step in if. . .?

- No spouse
- Disinterested spouse
- Adult children (or not)
- Trusted relative/friend (or not)

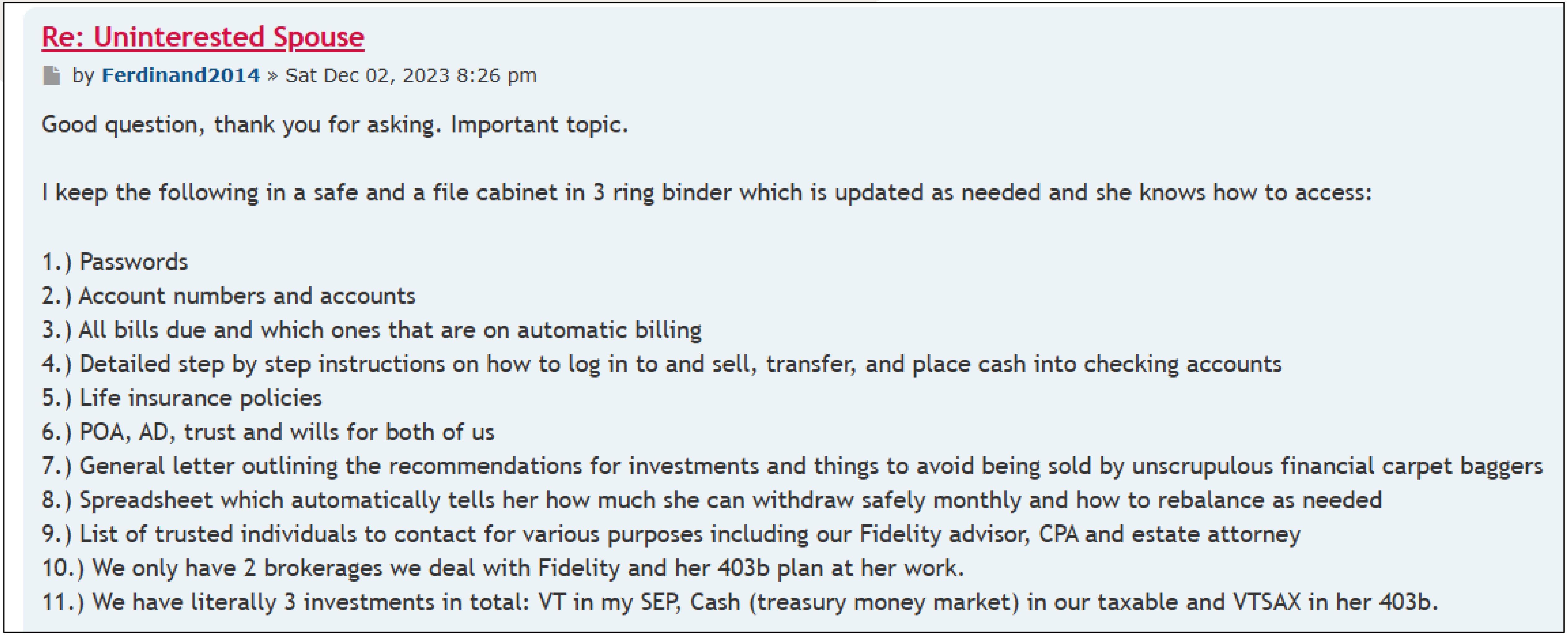
Format?

- 3-Ring Binder
- Excel Workbook / Google Sheets
- Other? (Video?)

Contents?

Source: Boglehead Forum
https://www.bogleheads.org/forum/viewtopic.php?p=7576543#p7576543

Example


Re: Uninterested Spouse

by **Ferdinand2014** » Sat Dec 02, 2023 8:26 pm

Good question, thank you for asking. Important topic.

I keep the following in a safe and a file cabinet in 3 ring binder which is updated as needed and she knows how to access:

1.) Passwords
2.) Account numbers and accounts
3.) All bills due and which ones that are on automatic billing
4.) Detailed step by step instructions on how to log in to and sell, transfer, and place cash into checking accounts
5.) Life insurance policies
6.) POA, AD, trust and wills for both of us
7.) General letter outlining the recommendations for investments and things to avoid being sold by unscrupulous financial carpet baggers
8.) Spreadsheet which automatically tells her how much she can withdraw safely monthly and how to rebalance as needed
9.) List of trusted individuals to contact for various purposes including our Fidelity advisor, CPA and estate attorney
10.) We only have 2 brokerages we deal with Fidelity and her 403b plan at her work.
11.) We have literally 3 investments in total: VT in my SEP, Cash (treasury money market) in our taxable and VTSAX in her 403b.

Contents?

Example

Source: AAII
https://www.aaii.com/files/blog/images/10349-RoadmapWorksheet.pdf

Roadmap for Heirs

What You Own

What You Own	Name of Institution/Person	Account Number/Location
Daily Bank Accounts (including CDs)		
Accounts Receivables (Does anyone owe you money?)		
Investment Accounts (taxable and retirement)		
Life Insurance Policies		
Other Potential Death Benefits (e.g. Veteran's Admin.): Contact information and data required to identify yourself to that institution		

	Property	Address (City, State, Zip)
Real Estate (your residence and all other properties)		

	Item	Location
Special Personal Possessions: Collectibles & antiques with		

Roadmap for Heirs

What You Owe

Credit cards are listed in a different section. In this section, include information about each major debt, including:

	Loan Number/Location	Name of Financial Institution	Address (City, State, Zip)	Phone Number
Mortgages: First mortgage & home equity lines of credit				
Car Loans				
School Loans				

	Location of Loan Note	Name of Person	Address (City, State, Zip)	Phone Number
Debts You Owe Other People				

Your Income

	Name/Schedule	Employer	Address (City, State, Zip)	Phone Number
Salary Income				

	Account Where Deposited
Social Security Payments	

	Name	Former Employer	Payment Schedule	Payment Location
Pensions				

	Property Address	Payment Schedule
Rental Income		

	Account Number	Name of Financial Institution	Address (City, State, Zip)	Phone Number
Trust Income				

	Source of Payment	Address (City, State, Zip)	Phone Number
Alimony			

	Account No./Payment Schedule	Name of Financial Institution	Address (City, State, Zip)	Phone Number
Automatic Payments From Portfolio				

Resources

- Bogleheads Chapter Series https://boglecenter.net/bogleheads-chapter-series-documenting-financial-information-for-surviving-spouse-executor/
- Bogleheads Wiki https://www.bogleheads.org/wiki/Letter_of_instruction
- Bogleheads Forum
  - https://www.bogleheads.org/forum/viewtopic.php?t=198919
  - https://www.bogleheads.org/forum/viewtopic.php?p=7576543#p7576543
- Schwab https://www.schwab.com/schwabsafe/planning-for-diminshed-capacity
- Retirement Manifesto blog (Fritz Gilbert)
  - 12/5/24 "Why I Write A "Love Letter" Every Year (and you should, too)"
  - https://www.theretirementmanifesto.com/why-i-write-a-love-letter-every-year-and-you-should-too/
- "After the Death of Your Spouse: Next Financial Steps for Surviving Spouses," Mike Piper, CPA (and Boglehead)
  - https://www.amazon.com/After-Death-Your-Spouse-Financial/dp/1950967123/ref=monarch_sidesheet_title

Special Considerations

- How to manage the logistics?
- What if no adult children or family member?
- Simplicity over optimization?

Real-Life Examples
+
Open Discussion

Jana: Excel Workbook

NOTE: Please see separate spreadsheet uploaded to the website.

Microsoft Excel Worksheet

Dan: Lessons Learned

- Dedicated email for bills
- Share the documents ahead of time!
- Recognize that your issues may not be the same as loved ones
    - introducing them to a Financial advisor may be better than trying to teach them investment theory
- Test Powers of Attorney before you have to (you may be surprised!)
- Make sure fraud prevention techniques don’t lock you out.
- Check unclaimed property regularly after changing addresses (https://unclaimed.org/)

Dan: Keep Items Updated and Shared

- The 3-Ring Notebook
- Free Services
  - Basic (Google Drive, Dropbox)
  - Advanced (Fidsafe.com, others?)
- Paid Services
  - Law Offices / Accounting Firms
  - AARP Secure Document
  - Password Managers

Dan: Challenges

- Vendors who want subscriptions but don’t send bills
- Too many credit cards
- Oddball payment systems (Apple Pay, Google Pay, Venmo, Paypal, Cash app)
- Password Managers that can be shared

Mark: Links/PDFs

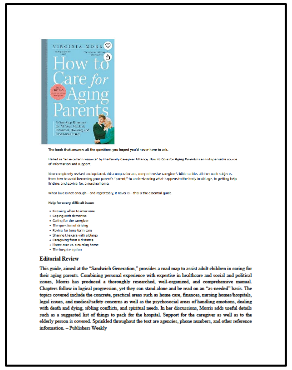
Rob Berger Tools – FidSafe
https://robberger.com/tools/fidsafe/

Mary Hunt – Everyday Cheapskate Important Documents
https://www.everydaycheapskate.com/important-papers-checklist-safe-not-sorry/

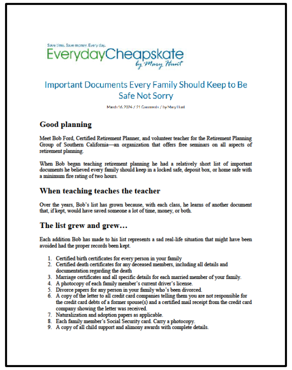
Bogleheads Forum – Next of Kin (NoK) Box for Important Documents
https://www.bogleheads.org/forum/viewtopic.php?t=459622

Reddit – Organizing Important Documents
https://www.reddit.com/r/organizing/comments/1q3pran/comment/nxmjb8x/

Reddit – Caring for Aging Parents
https://old.reddit.com/r/AgingParents/wiki/propita106/doc1


How to Care for Aging Parents

Editorial Review

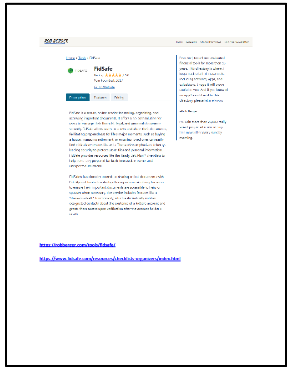

EverydayCheapskate

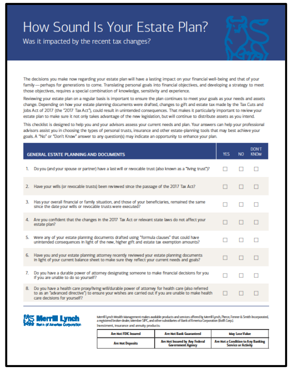
Important Documents Every Family Should Keep to Be Safe Not Sorry

Good planning

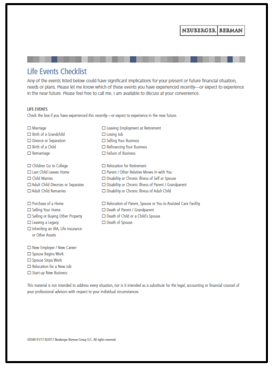
When teaching teaches the teacher

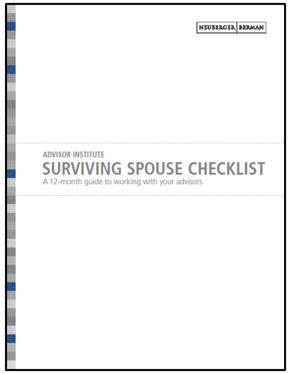
The list grew and grew…


FidSafe


How Sound Is Your Estate Plan?

Was it impacted by the recent tax changes?


Life Events Checklist


ADVISOR INSTITUTE

SURVIVING SPOUSE CHECKLIST

A 12-month guide to working with your advisors

Additional Resources
(Misc. from Google Search)

Note: Google searches yield how to reactively care for parents' finances, not how to proactively prepare your own. However, they do contain good content to use for yourself.

- https://getcarefull.com/articles/why-you-should-talk-to-your-adult-children-about-your-finances
- https://getcarefull.com/articles/checklist-for-taking-over-your-elderly-parents-finances
- https://desertlawgroup.com/blog/elder-law/what-to-do-when-mom-can-no-longer-manage-her-own-money/
- https://hatchettlegalteam.com/what-steps-can-i-take-if-my-loved-one-can-no-longer-manage-their-own-affairs/
- https://obliviousinvestor.com/investing-blog-roundup-household-finances-as-an-early-indicator-of-cognitive-decline/