PREPARING NOW FOR 2019

PLANNING FOR THE MODERN FAMILY

While most of us want to focus on celebrating and having fun during family gatherings, our modern culture tends to afford only a limited amount of time throughout the year when all those who matter most to us are under one roof — and it's a good time to check in about finances.

FAMILY MONEY CONVERSATIONS

An annual family meeting with adult children can be a great way to ensure that they understand the framework of your financial plan in the event of your death or incapacity, and the holidays can be a practical time to set up these conversations.

For younger children, year-end provides dozens of excellent educational opportunities about managing money. Try to involve kids who are old enough in the year-end activities suggested in this guide, from gathering tax documents to reviewing investments to budgeting for your holiday shopping list. Making fiscal responsibilities a part of life early will make kids' financial lives easier later on.

MILESTONE BIRTHDAYS

We'll all celebrate birthdays in 2019, but for some, an added gift awaits:

- **Age 18 or 21:** Depending on your state, this is the age of majority for your children. If they have UTMA accounts, this is the day the assets become theirs.
- **Age 50:** You can now make additional catch-up contributions of up to $6,000 in your 401(k), 403(b), and other workplace retirement accounts or up to $1,000 in your traditional or Roth IRA accounts.
- **Age 59 1/2:** Early withdrawal penalties end for qualified plan withdrawals.
- **Age 62:** You become eligible to receive reduced Social Security payments. Check your Social Security statement for your full retirement age (FRA).
- **Age 65:** You become eligible for Medicare. Waiting to sign up for Medicare may adversely affect your benefits.
- **Age 70 1/2:** Required minimum distributions from qualified retirement accounts, such as traditional IRA and 401(k) accounts, begin.

OFF TO COLLEGE

If you are sending any children off to college, we recommend that you speak with your trust and estate attorney and see that a health care directive/proxy and power of attorney are drafted for each child. Once they reach the age of maturity, their status as adults trumps your status as their parent, and while many colleges include this sort of paperwork in their enrollment packages, we recommend a personalized document drafted by your attorney.

HEALTH SAVINGS ACCOUNTS (HSAS) AND ADULT CHILDREN UNDER 26

The ACA requires health plans to cover children up to age 26. However, when the child is no longer tax-dependent but still on the parent's high deductible health insurance plan, the child has the opportunity to open up their own health savings account and contribute up to the family maximum ($6,900 for 2018). This opportunity arises because once your child is no longer considered a tax-dependent, qualified medical expenses cannot be paid out of your HSA. Talk to your benefits consultant or tax advisor to confirm eligibility.