

## Tax Tips You Can Use



End of Year Thoughts

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This article is not about taxes. We won't know the actual laws until mid-January, some times not even then... But tax time is great time for this other task that you should consider doing to benefit your family and friends. This tax season, you should create a "Life and Death" binder.

The concept is to put important information for your family all in one place so that if you are hurt and cannot manage your affairs or die, they can manage for you.

The "Death" part of the binder would have a copy of year-end statements of each and all of your bank, investment, pension, and retirement accounts. You can make copies of the 1099's as they come in for taxes. Life insurance policies and other insurance statements could be in there. When my stepfather died, we were sure he had a CD somewhere, but after 6 of us went through the 4 drawer file stuffed with paper, we could not find it. Now my sister checks the unclaimed money website once a year to see if it will ever show up. How nice it would have been if he had left some indication of where it was. In addition, the location of safety deposit boxes (and the location of the key!), combinations to safes and vaults and smart phone passwords would help your family organize your estate. Of course a copy of your will and/ trust is basic and should be there.

The "Life" part of the binder should have two sections. The first is medical information. Your personal health directive should be there. Everyone should have one, because even if you are in perfect health, the person who is texting and misses that stop sign may surprise you and BAMM. Also, you should write down the name and number of your health providers. Better yet, pick up cards for each of them and put those in the book. I have a page for me and another page for my husband. If you have a durable Power Of Attorney or emergency contacts list, include those as well.

The second section is for home and I have cards of trusted vendors. I don't call a plumber often, but I want to call a good one when I need help. I have cards of people I have used and like and a few cards with big black X's through them so I don't get taken again. I also have a few documents about our home that can't be lost but have no where else to be kept.

The last item is as important as the book at home. You should create an emergency card for your wallet. A business card is the perfect size, but you can just cut a piece of paper the size of your license. This card gets laminated (the office stores do this for a small fee) and placed sideways behind your license or some other visible place in your wallet. Write "Emergency" so it is visible and then write down important people, relationships and telephone numbers on it. If you have an accident, someone will be able to contact your family, fast, without having to do research. Think of being unconscious, on a gurney in an ER, with no way to tell the doctors how to contact your family. That is a very scary thought to push you into action. The end year statements are coming soon. Time to get organized!

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*The fine print: This article is for information only. Please see your tax professional for questions about your individual tax situation.*