

FINANCIAL FRIDAYS nymeo Federal Credit Union

Non-traditional family financial planning



Today's families take many different shapes, from more traditional "married with children" family units to less traditional households such as blended families, domestic partners with children and single parents. It's important to have a financial plan that considers your unique circumstances.



Choose the right tax status

Even if you don't qualify for Married Filing Jointly status, you have other good options. You may still qualify for tax savings as a head of household. If you are eligible to use more than one filing status, take the time to compare your tax bill under different filing scenarios — or have your tax advisor do it — to see which approach saves you the most in taxes.

Find tax breaks

Stepchildren raise tax considerations that require special attention. Determine who, among eligible family members, will declare any children as dependents before you fill out your tax forms. Take full advantage of the tax benefits that may be available to you through flexible spending accounts (health care and dependent care), health savings accounts and education savings plans.



Get enough insurance

Life and disability income insurance provide important protections in every family, especially if you're the primary breadwinner. Insurance is also a valuable tool to use in estate planning for unmarried partners.

Build emergency savings

A cash reserve that is equal to at least six months' worth of living expenses is good planning for any family, but especially for single parents who don't have a second income to fall back on in case of job loss, injury or other unexpected events.



Document everything

You should keep documentation of all your important relationships to protect the parental, ownership and caretaking rights of your loved ones and for you to have the same protection. That means putting on paper such things as a will, a health care directive, a domestic partner agreement and guardianship arrangements.

Build your retirement savings

Investing for your own retirement is crucial when you're unmarried and don't have legally protected joint ownership of assets with your partner. Unmarried partners can't claim Social Security survivorship benefits, and divorced spouses may get only a part or none of an ex-spouse's retirement accounts or Social Security benefits.



Coordinate college savings

The cost of education for all family members is a key consideration. Coordinate education savings plans and expectations with partners, ex-spouses and extended family members to know how much you will be responsible for paying and how you plan to reach those goals as a family.

Be aware of the gift tax

Transfers of property, cash and other assets between unmarried partners can trigger the federal gift tax; for 2020 the tax exclusion is \$15,000. However, payments for tuition or medical expenses made directly to the education or medical provider are not subject to gift tax. Even the joint purchase of a home can trigger the gift tax if both partners don't contribute an equal amount to the purchase price depending on state law.



Designate beneficiaries

It's best to avoid the chance of assets getting tangled up in probate court after a death or to have inheritances or an insurance policy payout go to someone other than the person you would like. So be sure to keep your beneficiary information up to date. A solid estate plan that utilizes a will and designates beneficiaries and powers of attorney can provide much-needed protection.

Don't miss out on opportunities to help ensure your family's financial well-being. Talk to your financial advisor about these and other actions you can take.

**Schedule a Complimentary Consultation with Anna
& Irene**



Anna A. Behnam
Financial Advisor



Irene Tata
Financial Advisor

How much does a financial advisor cost?

Your initial meeting with Anna or Irene is complimentary! Depending on your specific need, as well as the complexity of your situation, you may choose to pay for additional options. [Schedule a time to speak with them at your convenience.](#)

Investment products are not federally or NCUA-insured, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

The initial consultation provides an overview of financial planning concepts. You will not receive written analysis and/or recommendations.



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5210 Chairmans Court, Frederick MD 21703