

STARTING A FAMILY CHECKLIST

BUDGET

- ❑ Have you determined how much it will cost to raise a child? Consider basic needs such as diapers and formula, childcare, healthcare and education costs.
- ❑ Review your budget to find areas to save on current expenses, while increasing or adding new expense categories to accommodate your growing family.
- ❑ Try to pay down debts, specifically credit card debt.
- ❑ Start, or increase, an emergency fund to account for new expenses. A cash reserve of 3-6 months of expenses is recommended.
- ❑ Check with your employer to see how maternity or paternity leave will impact your income and savings.
- ❑ If your child will be going to daycare, ask your employer about a Dependent-Care Flexible Spending Account. Contributions are pre-tax and can be used for qualified childcare expenses.

TAX PLANNING

- ❑ Determine if you are eligible for the Child Tax Credit of up to \$2,000 per qualifying child.
- ❑ 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.
- ❑ Review how much tax is being withheld from your paycheck by reviewing your W-4 withholdings.

INSURANCE

- ❑ Review your health insurance policy and benefits to understand your options. Does it cover your new needs? If not, a new child is a qualifying life event, and you can make changes or enroll in a new plan.
- ❑ Add your child to your health insurance policy. In general, you have 30 to 60 days to do so.
- ❑ Find a doctor or pediatrician in your insurance network.
- ❑ Review life insurance and disability coverage. Consider increasing the amount of coverage you need (to fund future child-related expenses such as college costs).

PLANNING FOR THE FUTURE

- ❑ Determine if you want to save for future expenses, such as private school, college or a wedding. If so, start early!
- ❑ Review beneficiary designations on investment accounts, life insurance policies, and other assets.
- ❑ Update or set-up a will and estate plan to protect your child.
- ❑ Should something unforeseen happen to you appoint a trusted guardian for the child.

It's important to discuss your personal situation with a qualified financial advisor and tax professional so they can help determine the best course of action for your family.