

Welcome to the Personal Financial Checklist. We often get questions like, “What do I *really* need to know?” or “Where do I start?” Unfortunately, the answers to these questions are often difficult to find. The goal of this checklist is to give you straightforward information about five finance essentials that are vital to your financial health and long-term success.

Emergency Fund

It’s not a matter of *if* you’ll experience unexpected financial needs, but *when*. We all encounter irregular or unplanned expenses that occur entirely outside our anticipated budget. These are the expenses that can cause chaos in our financial lives and many times result in going into debt to cover them. The key to avoiding this pain is to establish an Emergency Fund.

- Determine the target amount for your Emergency Fund.** A good starting place is to set a goal of 3-6 months of living expenses.
- Establish a habit of saving a set dollar amount into your Emergency Fund every month.** Start with an amount that you are comfortable with and set a goal to increase this amount every year. Even if your amount is small, it’s important to just get started and stick with it.

Credit Report

Your credit history is an important part of your financial life that can have far reaching impact. Under Federal law, you may request a free copy of your credit report from each of the three credit reporting agencies – Equifax, Experian, and TransUnion – every 12 months.

- Make your request at www.annualcreditreport.com.** Note that this is the only site for this request authorized under Federal law. Beware that other websites offering your free credit report are generally by companies that sell other services.
- Review your report for accuracy and any signs of identity theft.** Things to look for:
 - Ensure your name and personal information are complete and accurate, including spelling.
 - Review public records section for accuracy. Look for any liens, lawsuits, or judgements older than seven years or bankruptcies older than ten years.
 - Ensure your credit account information is accurate, including a review of balances, payment histories, open/closed status, and any adverse info older than seven years.
- Review the inquiries section to ensure any credit report requests are legitimate.** If you have concerns about identity theft, a good starting resource is identitytheft.gov.

401(k) / Retirement Plan

Take advantage of all the benefits available to you, such as:

- Make sure you are contributing enough to get your full employer match. (This is “free money!”)**
- Find out if you have a Roth 401(k) available.** Depending on your circumstances, it may be beneficial to have some or all of your contribution go into the Roth, especially if you are younger.
- Review your investment options to be sure you have an appropriately diversified allocation based on your timeline & objectives.**
- Do you have employer stock as an investment option?** You may have opportunities for specific tax advantaged strategies. CAUTION: You should limit your total allocation to employer stock. “Don’t put all your eggs in one basket.”
- Are you self-employed or own a business?** You may or may not have a 401(k), but you do have opportunities for tax-advantaged retirement planning. Consult a fiduciary advisor to assess your situation.

DISCLOSURE: Nepsis, Inc. is not a tax advisor or law firm. This checklist contains general suggestions related to your overall financial plan; however, you should consult with your tax professional and/or attorney regarding the implementation of any strategy pertaining to your specific situation.

Life & Disability Insurance

Insurance is an important tool for managing risk and protecting your family. Understand that the main purpose of life insurance is to ensure your loved ones can stay on track financially in the event of your premature death. Likewise, disability insurance protects your most important asset, your ability to earn income.

- Determine the amount of life insurance you need.** One way to estimate your need is to add the following four amounts: #1) **Total debt, including mortgage** + #2) **funeral expenses** + #3) **replacement of your income for however many years you would want to provide for your family** + #4) **the amount you would want to provide for your children's college education.**
- Determine the most appropriate type of life insurance for you.** Generally, your need for life insurance diminishes as you get older and closer to retirement. In most cases, term insurance is a good fit as it is designed to provide coverage for a specific length of time and is a cost-effective way to get the greatest death benefit. CAUTION: Don't cancel any existing insurance policy without getting an unbiased review of the pros and cons.
- Ensure you have appropriate Disability Insurance.** In many cases, disability insurance is provided as an employee benefit. Start by finding out what is available through your employer. If you do not have coverage, consult a qualified advisor to assess your situation.

Will & Estate Plan

Having a will and properly designed estate plan is arguably one of the most important things you can do for yourself and your family. Because this is so important, it is highly recommended that you work with a qualified attorney to create your own estate plan. Don't try to do it yourself. There are numerous reasons to establish your estate plan:

- Ensure your estate is distributed according to your wishes.**
- Establish who will take care of your minor children.**
- Designate who will handle the affairs of your estate.**
- Avoid a lengthy probate process and reduce costs.**
- Minimize estate taxes.**
- In the event of incapacity, establish who will handle your financial and healthcare matters.**
- In the event of incapacity, establish the types of healthcare you may receive.**

NOTE: It is especially important to have a properly designed estate plan if you have minor children, you have family members with special needs, or you or your spouse have ever been in a previous marriage.

ARE YOU ON TRACK FOR THE FUTURE YOU WANT TO HAVE? IS YOUR PORTFOLIO DOING THE BEST IT CAN?

A Nepsis® Advisor can help you answer these important questions with a no cost, no obligation Clarity Assessment. Contact us today to schedule a free consultation or to talk about any of the ideas in the Personal Financial Checklist.

Call us at: (952) 746-2003 or email us at: info@InvestWithClarity.com

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