

Financial Considerations for Reduced Pay



**UNITED WEALTH
MANAGEMENT**

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<p>Cutting and Controlling Spending without a “Budget”</p> <ul style="list-style-type: none"> ✓ “Bucketing” A much friendlier option than traditional budgeting. ✓ Video: Bucket Spending Video ✓ Worksheet: Bucket Spending Worksheet ✓ Expense tracking tools: ✓ UWM Client Log In ✓ www.mint.com
<p>Retirement Accounts</p> <ul style="list-style-type: none"> ✓ Consider suspending contributions to retirement accounts. How does this effect your long-term financial plan? How long can you afford to suspend contributions? ✓ Consider changes to your investment allocation should you need to withdrawal money. Money that may need to be withdrawn should be in safe, liquid investments like cash or short-term bonds. ✓ Consider withdrawals allowed by the CARES Act: CAREs Act withdrawal Checklist ✓ Some retirement accounts allow “SEPP” payments to begin as early as age 55 penalty free. Consider Substantially Equal Period Payments (SEPP) from a retirement account. What to know about SEPP distributions
<p>Mortgage Considerations</p> <ul style="list-style-type: none"> ✓ Consider mortgage forbearance under the CARES Act: What you need to know. ✓ Consider a Home Loan refinance. If you can refinance at a lower interest rate you may lower your monthly payment and it <i>may</i> lower your total interest paid. ✓ Nerd Wallet Refinance Calculator ✓ Use our flow chart to help you determine if a refinance is right for you: Should I consider refinancing my home?
<p>Review Life Insurance Coverage</p> <ul style="list-style-type: none"> ✓ Have your life insurance needs changed? Maybe your need is not as great as it used to be. Review how much you need. ✓ Consider replacing a whole life policy with term policy. Generally, term policies cost less for the same amount of death benefit.

<p>PBGC Options</p> <ul style="list-style-type: none"> ✓ PBGC may be started as early as age 60 while still working. ✓ PBGC benefits increase each year you delay up until age 70. The difference in benefits between ages, 60, 65 and 70 can be substantial. Consider this carefully. ✓ Know your survivorship options when taking
<p>CPRP Options</p> <ul style="list-style-type: none"> ✓ Unfortunately, the Continental Pilots Retirement Plan (the “A” Plan) does not allow you to start benefits while continuing to work for United. This checklist assumes you may have taken a pay cut while still working.
<p>Social Security</p> <ul style="list-style-type: none"> ✓ Social Security may be started as early as age 62; however, if still working and younger than your Full Retirement (FRA) consider that your benefit will be reduced and may be reduced to zero.
<p>Credit Cards and Personal Debt</p> <ul style="list-style-type: none"> ✓ Pay off or pay down debt with lower rate options. This may reduce your total interest paid and reduce your required cash flow. ✓ Options might be: <ul style="list-style-type: none"> ▪ Transferring balances to lower interest rate credit cards ▪ Using a HELOC to pay down Credit Cards ▪ Consider a CAREs Act withdrawal to reduce high interest rate debt
<p>Other Valuable Resources</p> <ul style="list-style-type: none"> ✓ Visit the United Wealth Management Website for more financial planning checklists and work flows ✓ SUBSCRIBE to my YouTube Channel for more videos related to United Pilots PRAP, Plan Benefits and financial Planning.

If you are considering using a financial advisor to help you navigate the complexities of investing and retirement planning, please feel free to contact me.

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Specializing in PRAP Management and Financial Planning for United Pilots

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(Tax Opportunities that may come in years of lower income)



Traditional or Roth IRA Contributions

- ✓ Your income may normally be too high for Roth or Traditional IRA contributions. Does it qualify this year? See our [Important Numbers document](#) with IRS limits
- ✓ Which IRA is better for you? Roth or Traditional? [See our Flow chart](#) to help with this consideration.

Roth IRA Conversions

- ✓ You may be in a lower tax bracket in years of lower income. Does it make sense to convert a traditional IRA into Roth IRA?
- ✓ Even if you are not in a lower tax bracket than you normally are, your total tax bill may still be lower.
- ✓ Will your Roth Conversion be penalty free? Use our [Roth Conversion flow chart](#) to help you decide.

Consider Selling taxable investments

- ✓ Is your lower income putting you in a lower capital gains tax bracket?
- ✓ Will your total tax bill be lower such that paying capital gains will be more tolerable?
- ✓ [Flow Chart to help you determine if you will owe taxes on the sale of an investment.](#)

Visit Our Financial Checklist and Flow Chart Library:

- [United Wealth Management Resources Page](#)
- [Dan's YouTube Channel](#)

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