Saving for Adoption, IVF or Other Fertility Treatments

Family

Having a baby is a beautiful time in your life. With that being said, traditional conception doesn't always come easy for every family. Sometimes people with fertility issues may have to invest in outside methods to build the family they are desperately seeking. This may include fertility treatments, IVF, or even hiring an adoption attorney to secure that much-wanted child. The cost of many of these processes starts in the low thousands and goes way up from there.

The Average Cost of Adoption

The average cost of adoption using an agency or private attorney is around $39,000 to $42,000[1]. This can fluctuate depending on the age of the child, or whether the adoption is domestic or international. Newborn adoptions are the most expensive, while adopting a child from the foster care system is considerably less. Additional travel overseas can add to the cost very quickly, if a family chooses to go that route to adopt a child.

If you are considering adoption, bear in mind that adoption assistance is becoming a more widespread employee benefit at many companies. Over half of employers now offer it, and financial reimbursements range from $500 to more than $25,000.

What You'll Pay for Fertility Specialists

Using fertility drugs, for the most part, isn't covered by insurance, so those alone can cost between $1,000 to $3,000 per month. When you need to go a step further for IVF (in-vitro fertilization), one round is, on average, around $11,000- $13,000 (with no insurance coverage)[2]. Most people need a few rounds of IVF to be successful, so it can be upwards of $30,000 or more. This is also not usually covered by insurance and therefore is a huge expense to save up for over a period of time.

How to Start Saving

If you know that you are going to need at least $10,000 to start your family, it's time to put together a solid savings plan in conjunction with your monthly budget. This will help get you on the road to obtaining that nest egg to start your family. Have a set amount taken out of your paycheck each pay period to put into a separate savings fund. Cutting out little extras in your life, like going out to eat at restaurants or expensive lattes might help tighten up the budget a bit.

Alternatively, you can consider taking out a loan if you have good credit, as well as the means to pay it back in the future. Doing so will allow you to get the money right away to start the adoption or IVF process.

Explore Tax Breaks

Tax credits are offered for adoptive parents (up to $13,570 in 2017)[3] to reimburse themselves for qualified expenses, which includes court and lawyer fees, travel and even meals. Keep in mind that tax credits are more valuable than tax deductions, because they let you reduce your tax bill dollar for dollar. For example, adoptive parents who owe $20,000 in taxes and spent $10,000 on the adoption of their child could reduce their tax bill by $10,000.

While there are no direct deductions or tax breaks for infertility treatments, it is possible to deduct major medical expenses (if your medical bills exceed 10% of your gross income). You can deduct co-pays and co-insurance, lab fees and medications, and IVF and IUI fees not covered by your insurance. Keep in mind however that to claim this you must itemize your tax return, rather than take the standard deduction. Of course, you'll want to consult the IRS website to see exactly what is allowed.

Find a Financial Professional Who Can Help

A final way to plot your journey to a family is by setting up a meeting with your financial planner and/or CPA to discuss how to achieve your financial goals. They will help you determine the best financial course of action for your family and weigh the pros and cons of your choices. They can also help you navigate the tax breaks deductions you'll qualify for. Of course, the route you take is an extremely personal choice, but the more methods you use to save and raise money, the faster you'll be able to make your family with children a reality.

[1]AmericanAdoptions.com

[2]School of Medicine & Public Health, University of Wisconsin

[3]IRS.gov

5 Tips To Face the Financial Burden of Illness

Family

Illnesses, particularly critical illnesses, such as cancer, stroke, or heat attack can be very nerve-racking for both the person diagnosed and their family. These events are not only emotionally draining and stressful, but also quite expensive to manage. Treatments, medications, and therapies designed to control and manage the symptoms of these diseases are often too costly for the average person to comfortably afford.

Plus, these critical illnesses can leave someone temporarily or permanently disabled, impairing their ability to care for themselves or even work. When such a scenario happens, the emergency costs required for care and recovery coincide with the temporary or permanent loss of income, sometimes leaving one to drown in an unforeseen sea of financial burden.

However, there are a few approaches you can use to try and navigate this challenge.

1. Have an Emergency Fund

This step is one of the most imperative in avoiding the financial burden of huge medical bills from an unexpected and costly illness. It is often said that an ounce of prevention is worth a pound of cure. By setting aside some funds every month that are enough to cover your health insurance deductible and out of pocket max (or even just day-to-day expenses should you be unable to work), you'll have more overall options when it comes to your finances in the event of a costly medical emergency.

2. Consider Opening a HSA (Health Savings Account)

If your insurance plan qualifies, you can consider opening an HSA (Health Savings Account), which enables you to contribute pre-tax money to the account. These contributions grow tax-free and are readily available to you when the need for qualified healthcare expenditure arises. Just keep in mind that an HSA be used only if you have a High Deductible Health Plan (whether or not your plan qualifies is determined by the IRS)[1]. Unlike a flex spending account, HSA funds will roll over year to year if you don't spend them, and may even earn interest. Typically your health insurance provider will offer a HSA option. If your provider doesn't, you can open a separate HSA account at most financial institutions.

You decide how much to contribute to your HSA account each year, though you cannot exceed government-mandated maximums. In 2017, the limit was $3,400 for an individual and $6,750 for a family (adults over 55 can add up to $1,000 more)[2]. If you have an HSA through your employer, you can set up easy automatic contributions directly from payroll. You will then receive a debit card that you can use for allowable expenses. This includes co-pays, deductibles, coinsurance, and other qualified medical expenses not covered by your plan.

3. Negotiate a Payment Plan With Your Hospital or Doctor

If you know that paying your medical bills is going to be a hardship, it is paramount that you consider asking your hospital or doctor about a hardship payment plan. Although negotiating a payment plan may not always be ideal, it can help you get the chance to pay affordable payments that prevent your life from coming to a screeching halt. In addition, making reg-

ular payments will help prevent a blemish on your credit score.
If you can, it's always a good idea to visit your hospital's medical billing department in person to try and negotiate a payment plan or lower monthly bills. You might be surprised at what you can work out.

4. Apply For Charity Care

Unknown to many people, many hospitals and healthcare providers offer charities every year in the form of canceled or lowered medical bills for persons who meet some certain income requirements. If your illness has left you unable to work, you may qualify and these programs may be able to help. They can also significantly reduce your owed medical bill amount, making your monthly or weekly payments more affordable. Again, visiting with the billing department in person is a great way to learn about these programs and sort out whether or not you qualify, and how to apply.

5. Ask For a Cash Discount

You may also negotiate your medical bills by paying in cash at some hospitals, labs, and medical facilities. If you have some money to kick in towards your bills but it's not enough, it doesn't hurt to ask for a cash discount. You may end up with a 5-15% discount on the total bill for prompt payment or cash payment in full.

The financial burden of illness can be traumatizing and stressful, but proactively saving in advance and communicating clearly if you do run into trouble can drastically help you weather through the challenge.

[1]Healthcare.gov

[2]IRS.gov

Blending Families' Finances After Remarriage

Family

The Beatles may have claimed that "all you need is love," but it is never so simple. This is especially true for those who are planning to remarry after a divorce. Merging two established families together is a difficult and challenging process by nature, but when you throw money issues into the mix, it can turn downright nasty.

These three tips on blending family finances after remarriage can help you and partner alleviate some of the stress surrounding financial issues. This will allow you to concentrate on what matters most: your new family.

1. Discuss it Before the Marriage

Talking about money is not the most romantic topic, but it is important to have an open and honest money discussion before tying the knot. Each person should provide full disclosure of any income, assets, and debts they currently have. Sort out who will repay the debts and whether the new spouse will assume legal liability for them. If someone is entering the marriage with an ongoing expense, such as college tuition for an older child, the bill can cause serious complications in the future. Figure out now whether the child's birth parent will continue to pay for the cost or if it is an expense that both spouses should shoulder.

2. A Blended Family, but Separate Bank Accounts?

There are many ways to handle bank accounts for blended families. One of the simplest approaches is to maintain separate bank accounts for assets brought into the relationship and then create a new, shared bank account for combined expenses. Some couples choose to contribute a portion of their income into the shared account while depositing the rest into their private accounts. Other families put all their income into the shared account once they are married. There is no right answer, rather the important thing is to find a solution that works for everyone.

3. Plan for the Future

Sit down with a financial professional to get advice on how to plan for the future as a family. You will probably want to speak with a financial planner who either has specific experience helping newly blended families, or is a CERTIFIED FINANCIAL PLANNER™ and will take a holistic approach to your finances, discussing budgeting and goals, not just investments[1]. And although it may be difficult to think about, the sooner you make financial and legal decisions about what will happen to both the children and assets if one of you passes away, the better.

While it is true you may not be able to live on love alone, money doesn't have to be the source of your new marriage's problems, either. Considering the three tips above will help you to start the conversation with your loved one about the role of money in your new family.

[1]CFP Board