New Parent Checklist

Pertinent financial action items for adding a new member to your family

Steps to Take

- ☐ Request Social Security number and birth certificate.
- ☐ Update beneficiaries on retirement plans, both with your employer and Individual Retirement Accounts (IRAs). You will likely need to provide your child's Social Security number on the beneficiary form.
- ☐ Add new baby to your health insurance plan (your insurance will likely request a copy of the birth certificate). Don't forget about dental as well, but you may be able to delay this until open enrollment as babies generally don't need to go to the dentist until they have teeth.
- ☐ Consider purchasing increased disability and life insurance coverage.
- ☐ If you have childcare expenses and your employer offers a Dependent Care Flexible Savings Account, make the maximum contribution per household (coordinate with your spouse if both your employers offer this).
- ☐ If you are on a high deductible plan, you are eligible to contribute to a Health Savings Account (HSA).
    - ☐ Make the maximum contribution per household.
    - ☐ Add your HSA debit card to your Amazon, CVS, or other online shopping account and use it for eligible expenses such as sunscreen, postpartum supplies, cold and flu medications, and certain baby monitors.
    - ☐ Bring your HSA card to the doctor to pay any co-pays and other bills.

Note: If there are any excess funds in your HSA, they can roll over to next year. If you move employers or retire, you can also keep the HSA. At age 65, you can use the HSA on anything, not just qualified health expenses (ordinary income tax would still be due, making the HSA function very similar to a Traditional IRA or 401(k) after age 65).

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Additional Considerations

- ☐ Discuss with your accountant your estimated income taxes after FSA and HSA contributions, the adoption tax credit, dependent care credit, and child tax credit. Update your withholdings accordingly.
- ☐ Estimate your new monthly expenses and add more cash to your emergency fund. Emergency funds are anywhere from 3-12 months depending on household size, job security, and if you have disability insurance or not.
- ☐ Discuss with your family who will be guardian of your children, and contact your estate planning attorney to put that in writing.
- ☐ Start researching 529 accounts and UTMAs. When daycare expenses end, consider redirecting your budget to these accounts.

If you have any questions, please reach out to your D.A. Davidson financial professional.