

IN HONOR OF VALENTINE'S DAY: A MONEY QUIZ FOR YOU AND YOUR SWEETHEART

Money might not be the best topic to introduce on a romantic evening, but it's the talk you must have before you load up the moving van or take that long walk down the aisle. According to a *USA TODAY/CNN/Gallup* Poll in March 2006, spending too much and saving too little are two common financial issues that cause strife among couples. The study also found that nearly two-thirds of married couples said they talked little or not at all before the wedding about how to combine their finances.

But you don't have to fall into that category! If you're not sure where to start, exchange this questionnaire and give yourselves a week to prepare your answers and your records. Find some time to sit down at the kitchen table and discuss the results, and if you're not sure where to go from there, enlist the help of a financial planner.

What are your debts? The best gift a couple can present to each other before they move in together or marry is a clean financial slate. If one or both partners has significant student, credit, business, mortgage or other debt, those amounts need to be brought into the open and both parties need to discuss how those debts will be repaid, by whom and by what time. Before you sit down, both of you should agree to pull your latest credit report and share it with the other.

What about the kids? If one or the both of you are bringing children into the relationship, you'll need to cover all the emotional, logistical and money issues associated with blended families. You'll need to discuss current child support arrangements (if any), how ex-spouses or partners will fit into the picture and where money for that child's everyday expenses and education will come from. And don't forget the pets! Financial responsibilities surrounding your beloved kids with fur should not be left out of the conversation.

Where should we live? If one partner wants to live in a mansion and the other is content with a three-bedroom ranch, that's a critical difference in financial goals. Where and how you and your partner want to live is a major issue that needs to be discussed before you move in together.

Do you like to spend or save? They say opposites attract, but you really need to have this discussion about money behavior. No matter which role you take, you need to own up to your money habits and make a plan so you can live a good life together without too much frugality or irresponsible spending.

Have you ever filed bankruptcy? You may trust your partner with your life, but you really need to ask this question. If they filed more than 7-10 years ago, a bankruptcy may not show up on their credit report, depending on their agreement. But if they filed earlier, you really need to know when, and most important, why.

How will we pay the bills? Two-income or single-income couples need to decide how the checkbook will be controlled. There's no single correct way to do this, but establishing a joint checking account to funnel money towards bills and retirement and investment accounts might be a good way to start. It requires both parties to step up to the plate on a monthly basis with whatever funds they've agreed to put forth.

What about retirement? At whatever point in life you're entering a relationship, you need to discuss how set you are for retirement. Talk about assets in your 401(k), IRA and other investment accounts. If one or the both of you haven't taken any steps to plan for retirement, you're going to need to change that. If you vary widely in age, it's wise to ask for advice since one spouse will be retired long before the other.

What is your estate plan? It's never too early to think about the possibility that one of you might not be around. Once you marry, make sure you both have wills and health and durable powers of attorney in place. If you are domestic partners, you should consult an attorney or financial planner with expertise in your state's estate and child welfare laws to assure that the surviving partner's financial and parental rights are protected.

Do we need a prenup? Prenuptial agreements, also called premarital agreements, are contracts between people who intend to marry. They spell out who gets what if the relationship breaks up. Who needs them? Generally they're done when one or both partners have assets or a business they want to protect in case of legal separation or divorce. Prenups are becoming more common in this day and age, and don't be afraid to discuss one with your future spouse.

For more resources on talking finances with your partner, visit the Financial Planning Association and USA TODAY's Couples and Cash series at www.CouplesCash.USAToday.com.

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SMART RETIREMENT MOVES TO MAKE – OR START – BY APRIL 17

February is still about two and a half months away from the tax deadline, but don't focus on the deadline so much as your overall retirement strategy. Here are some key moves to get your retirement in shape on a year-round basis.

Get some help. A financial planner might be a good first stop in reviewing your retirement plan. Even if your retirement is lodged in various IRAs and a 401(k) plan, it makes sense to consult a planner in your area to get an overview of what you have and whether it's being invested consistent with your timeframe and retirement goals. To find a planner in your area, go to www.PlannerSearch.org.

Start saving. You have until April 17 to make your 2006 tax year contribution to your 401(k) Plan or IRA. If you were under the age of 50 during all of 2006, the contribution limit is \$15,000; if you turned 50 by Dec. 31, 2006 the amount is \$20,000. Also, income limits rose for making contributions to a Roth IRA. In 2007, singles can now deposit to a Roth IRA if their income is between \$99,000 and \$114,000 and for joint filers, now they can earn between \$156,000 and \$166,000.

Fund by the deadline. If you're under the age of 50 by yearend 2006, you can contribute up to \$4,000 to your individual retirement account by April 17. If you're over 50, you can add a \$1,000 to that amount. That deadline goes for traditional IRAs, SEP-IRAs, Keogh and Roth IRAs.

Be aware of new 401(k) transfer rules. Thanks to new pension legislation passed in 2006, a child or a non-spouse who inherits the money in a qualified disbursement can transfer it directly into an IRA and stretch out the distributions over a number of years at a considerably smaller tax bite.

Change your withholding if necessary. As you're doing your own taxes or relying on a professional, see if your withholding is correct. There's no reason to be paying more taxes than you need to or struggling to pay your tax bill in April of 2008. This is a good idea for both Federal and State withholding. And if you get a big tax refund this year, don't blow it. Sock it away. You can even authorize your tax refund to be deposited directly into an IRA account. Check with your tax or financial professional on the details.

Get your beneficiaries in order. Each year, it makes sense to determine whether the beneficiaries on your retirement accounts and insurance policies are correct. If you've lost a relative, gotten divorced or if any family circumstances have changed, you'll need to review whether your money is going to who you want it to after you die. This is also pertinent for any investments you hold jointly with anyone else – if there's a chance you want to change those relationships, make it a point to do so during the year.

Check your will and powers of attorney. Retirement and estate planning should go hand-in-hand. You need to make sure that any unspent assets in your retirement go to the right people after your death, and that may affect how you plan. Check to see that all the names in your will are correct and that your health and durable powers of attorney are up to date. If you've never had these documents drawn up, do so this year.

Talk to your kids. If you have adult children and you're approaching retirement, it makes sense to make this the year you talk to your kids about your retirement, estate and long-term care plans. Don't have a plan for long-term care? You need one – talk to your adviser about allocating your assets toward that end or the purchase of long-term care insurance.

Get your health in order. It may seem unrelated to financial planning, but your health is going to become more critical to financial planning as years go by. Insurers have long viewed health records as a way to determine the price of policies, but depending on what happens in the future with records and privacy, health and age may become a critical factor in getting loans and other financial advantages. At the least, keep your health in good shape in case you want to buy long-term care insurance.

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HOW TO KEEP YOUR TEEN'S CAR INSURANCE RATES AS LOW AS POSSIBLE

At a minimum, your car insurance rates jump 50 percent the minute you put your kid on your policy. In some families, it's as much as 200 or 300 percent. Why? Because car crashes are the leading killer of people between the ages of 15 and 20.

So as the prime teen driving months of summer approach, it's worth discussing whether you've done everything possible to save money while making sure your kids stay safe on the road. A recent *Chicago Tribune* report pointed out that weekend nights in July and August continue to be the deadliest times for teen drivers.

Talk to your kid about their grades. You've heard it before. Girls are less expensive to insure because they generally are more conservative behind the wheel. Insurers also discount for boys and girls with good grades because their behavior suggests an ability to follow rules and stay safer behind the wheel.

Find out how your insurer assigns your kid's rate. Find out if your insurer is pricing your child's insurance based on the newest or most expensive car you own. If you have two safe cars in the driveway, see if your insurer will base its rate on your teen driving the 10-year-old beater instead of the \$40,000 SUV that's your baby. Then make sure your kid never gets behind the wheel of the expensive car. You might also want to consider whether buying your child a safe new or used economy car might save you money on insurance.

Make sure your teen gets qualified driver training. Many states have abandoned driver's education in the high schools, but talk to your insurer about the best private training options in your community. You'll see a break of at least 5 percent on your premium if your teen gets training, but the most important thing is making sure your kid knows how to safely operate a vehicle.

Boost those deductibles. Make sure you keep your deductibles on all vehicles as high as you can afford. Aggressively raising your deductibles can save between 25-35 percent on your premiums.

Lay down the law. Parents should double their vigilance when their kids start driving. It's up to parents to enforce curfews, demand seat belt use, limit their kids' night driving habits – when most teen accidents take place – and adopt a zero tolerance policy on drugs, alcohol and reckless driving. The *Chicago Tribune* report said that teen crashes kill more than 8,000 people and injure more than 700,000 others annually in the U.S., costing \$40 billion in property damage, medical costs and lost wages every year. It also said a critical risk factor is other teens in the car – know who your child is driving.

Suspend coverage when they don't have the car. If your child goes away to college without a car, take them off the insurance. Of course, your child must be made to understand that they can't get behind the wheel of anyone else's car unless insurance is somehow provided them. Overall, it's best to tell them they shouldn't be driving when you're not insuring them.

Curtail cell phone use. Everyday, you see adults in car wrecks because they were talking on their cell phones while driving. Inexperienced drivers talking on cell phones while driving presents an even riskier picture on the road. If your child has a cell phone, insist that they cannot use it while the car is moving.

Make them pay all or part of their premium. Want to ensure the safest driving possible? Make your child pay for their insurance and insist they continue to do so as premiums rise. If they end up not driving regularly until they're in college or on their own, that may not be a bad thing. Tell them public transportation saves money and helps the environment.

Check car insurance rates before buying a new or used car. Anytime you buy a new or used vehicle, check with your insurer before you sign on the dotted line. Insurance companies charge different rates based on how much the vehicle costs and the model's accident or theft record.

Adjust your own driving. Do what you can to reduce mileage on your own vehicles and attempt to drive more safely. Parents teach best by example.

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