

Identify, explain and evaluate any problems you can foresee upon the death, disab...

[Finance](#)



Data The Case: Jessica's death retirement or disability. Their current children: The couple had already made a decision not to have any more kids. Her part time job of 20 hours a week, probably so as to have time off for taking care of her young kid, Warren, who is yet to start kindergarten will be affected greatly. The supplementary cash flow from her salary will no longer be there in case of death or permanent disability. Walter will have to take both parenting responsibilities, unless he takes the option of hiring a nanny who will add on to the list of expenditure.

Their employment:

Her part time job will automatically come to an end or the terms be revised, based on what type of situation it will be. In the case of retirement, obviously if she had secured a permanent job. Walter will most likely switch to a better paying job, in order to cushion the family from any event that might have affected Jessica. Or based on his assumption of a current employment, he will ask for a salary increase.

Assets and liabilities owned by both of them:

Their house, based on their current valuation indicates that it appreciates at approximately \$9000 each year. If she is to retire at the age of 60 and the rate of inflation stayed fixed, it will be valued at \$478000. Within this time, their 15-year mortgage plan will have been fully cleared. Other joint investments with BMO, will stay the same, while one of the cars, preferably Jessica's, and will be sold off to keep family finances afloat. The expenses will be borne heavily by Walter, since Jessica will have less to deduct from.

Existing or ongoing financial obligations:

<https://assignbuster.com/identify-explain-and-evaluate-any-problems-you-can-foresee-upon-the-death-disability-or-retirement-of-jessica/>

The insurance premiums and other deductions will likely continue especially the monthly taxes as well as household needs. Whether the weight will be borne by the two entirely depends on the presence and ability of Jessica. In case of death, her tax deductions as well as her car benefits will be cut short, while the weight will shift to Walter, who is likely to start cutting down on the expense.

Other beneficiaries they wish to include:

The will they made, even though not up to date, encompasses what makes up their life. As a result, it will come into operation in the case of her death, with Walter and the kids taking full shares in the marital property. In such a situation, Walter is likely to revise the will and entitle the kids to full administration of estate in case of his unavailability too.

Their retirement plans:

Assuming Jessica too plans to retire at 60 and things remain the same, she won't be entitled to any benefits, since she is not in any pension plan. In case of her demise, the spousal plan currently being paid for her by her husband will stop.

Any other pertinent issues, including health:

The available group health insurance policy will cover Jessica, unless she is dead. The planned purchase of the cottage in the next ten years might not be successful in case of Jessica's death or permanent disability, since the plan is entirely dependent on their combined savings. The savings might not add up if it depends on only Walter's salary.