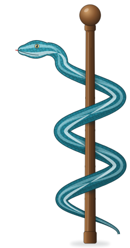
Physician Financial Advisors



The Resident's Financial Checklist

Twenty-six things, in the order they matter, from intern year to the first attending contract. Cross them off as you go. Most take an afternoon; a few take a phone call.

1 · Protect your income

- [ ] **Own-occupation disability policy in force**
  True own-occupation definition for your specialty. Buy it during training, while it is cheapest and easiest to qualify for.
- [ ] **Guaranteed standard issue offer used, if your program has one**
  No medical underwriting. Ask your program coordinator or GME office.
- [ ] **Future increase option confirmed**
  So the benefit can grow with attending income without a new exam.
- [ ] **Employer group disability policy read**
  Benefit cap, taxability, and when the definition changes to any-occupation.
- [ ] **Term life in place if anyone depends on your income**
  Sized to debts, income replacement, and years of dependence.
- [ ] **Malpractice type known: occurrence or claims-made**
  If claims-made, know who pays for tail coverage when you leave.

2 · Decide the loans

- [ ] **Every loan listed: servicer, balance, rate, type**
  Federal vs. private matters for everything that follows.
- [ ] **PSLF track chosen, or deliberately declined**
  Qualifying employer + income-driven plan + 120 payments. Confirm current plan rules at StudentAid.gov.
- [ ] **Enrolled in the right repayment plan**
  Income-driven if PSLF; otherwise the plan that fits your payoff goal.
- [ ] **Employment certified this year**
  Submit the PSLF form annually and at every job change. Keep copies.
- [ ] **Federal loans not refinanced if PSLF is the plan**
  Refinancing federal loans ends forgiveness eligibility permanently.

3 · Get cash flow under control

- [ ] **A resident budget you can actually keep**
  Fixed costs, loan payment, savings target, then lifestyle. In that order.
- [ ] **Emergency fund started**
  One month of expenses first, then three. More if part of your income is 1099.
- [ ] **Savings automated on payday**
  Even $100. The habit matters more than the amount.
- [ ] **Known lumps funded ahead**
  Boards, licensing, DEA registration, interviews, moving.
- [ ] **No new consumer debt**
  Credit card balances carried month to month are the most expensive loans you will ever have.

4 · Start saving in the right places

- [ ] **Employer match captured**
  Free money first, always.
- [ ] **Roth contributions chosen while your bracket is low**
  Roth 403(b)/401(k) or Roth IRA. Residency is the lowest tax rate you will see for decades.
- [ ] **HSA funded if you are on a high-deductible plan**
  Deductible going in, tax-free growth, tax-free for medical costs. Invest it if you can.
- [ ] **Low-cost index funds selected inside the plan**
  Look for total-market or target-date funds with the lowest expense ratios.
- [ ] **Beneficiaries named on every account and policy**
  These override your will. Update at every life change.

The one-sentence version: protect the income, decide the loans, keep a resident's budget, put savings where the tax code rewards you, and get the paperwork done before you need it.

5 · Handle the taxes

- [ ] **W-4 checked whenever income changes**
  New job, marriage, a spouse's raise, or a mid-year jump in pay.
- [ ] **1099 income set aside as it arrives**
  Moonlighting is paid untaxed. Reserve a percentage of every dollar and pay quarterly estimates.
- [ ] **Multi-state year planned**
  Training in one state and starting a job in another means part-year returns in both.
- [ ] **Records kept in one place**
  Licensing, CME, board fees, and moving costs. Some are deductible; all are worth tracking.

6 · Get the documents done

- [ ] **Will**
  Who receives what. Everyone with dependents or assets needs one.
- [ ] **Durable power of attorney**
  Who handles money if you cannot.
- [ ] **Healthcare directive**
  You write these for patients. Write your own.
- [ ] **Guardianship named if you have children**
  The decision young physicians postpone most often. It goes in the will.
- [ ] **Credit frozen at all three bureaus**
  Free, reversible, and the single best defense against identity theft. Physicians are targets.

7 · Final year: plan the transition

- [ ] **Contract reviewed before you sign, twelve months out**
  Base vs. productivity pay, RVU thresholds, non-compete, tail coverage, signing-bonus clawbacks.
- [ ] **Next employer confirmed as PSLF-qualifying**
  Before signing, not after. Includes the rules for states that restrict direct hospital employment.
- [ ] **Disability benefit increased to match attending income**
  Use the future increase option you bought in step one.
- [ ] **First attending budget written now**
  Pick the lifestyle number before the money arrives. Automate the rest into loans and investments the first month.
- [ ] **Withholding and estimated-payment plan for year one**
  A mid-year income jump leaves most new attendings under-withheld.
- [ ] **Rent the first year if the job might not last**
  Physician mortgages make buying easy. Prove the job first.

When to bring in a planner

Most of this list is yours to do. The items worth a second set of eyes: the disability policy definitions, the PSLF-or-refinance decision, the contract, and the first attending year's tax plan.

Physician Financial Advisors is led by CFP® professionals and holds every recommendation to a fiduciary standard. Questions are free. Book a conversation at physicianadvisors.co.