



Contact Mark

A Financial Blueprint for Physicians



WisMed Financial

Download today's slides:
WisMedFinancial.org/WOS-2023



WisMed Financial

Disclosures

WisMed Financial, Inc. ("WMF") is a registered investment advisor offering advisory services in the State of WI and in other jurisdictions where exempted. Registration does not imply a certain level of skill or training.

This communication is for informational purposes only and is not intended as tax, accounting or legal advice, as an offer or solicitation of an offer to buy or sell, or as an endorsement of any company, security, fund, or other securities or non-securities offering. This communication should not be relied upon as the sole factor in an investment making decision.

Past performance is no indication of future results. Investment in securities involves significant risk and has the potential for partial or complete loss of funds invested. It should not be assumed that any recommendations made will be profitable or equal the performance noted in this publication.

The information herein is provided "AS IS" and without warranties of any kind either express or implied. To the fullest extent permissible pursuant to applicable laws, WisMed Financial, Inc. (referred to as "WMF") disclaims all warranties, express or implied, including, but not limited to, implied warranties of merchantability, non-infringement, and suitability for a particular purpose.

All opinions and estimates constitute WMF's judgement as of the date of this communication and are subject to change without notice. WMF does not warrant that the information will be free from error. The information should not be relied upon for purposes of transacting securities or other investments. Your use of the information is at your sole risk. Under no circumstances shall WMF be liable for any direct, indirect, special or consequential damages that result from the use of, or the inability to use, the information provided herein, even if WMF or a WMF authorized representative has been advised of the possibility of such damages. Information contained herein should not be considered a solicitation to buy, an offer to sell, or a recommendation of any security in any jurisdiction where such offer, solicitation, or recommendation would be unlawful or unauthorized.

New student loan rules

CASE STUDY:
HOW TO HAVE \$620,000
FORGIVEN AS A RESIDENT



WisMed Financial

Federal Student Loans Disclaimer

This information is believed to be accurate as of July 10, 2023.

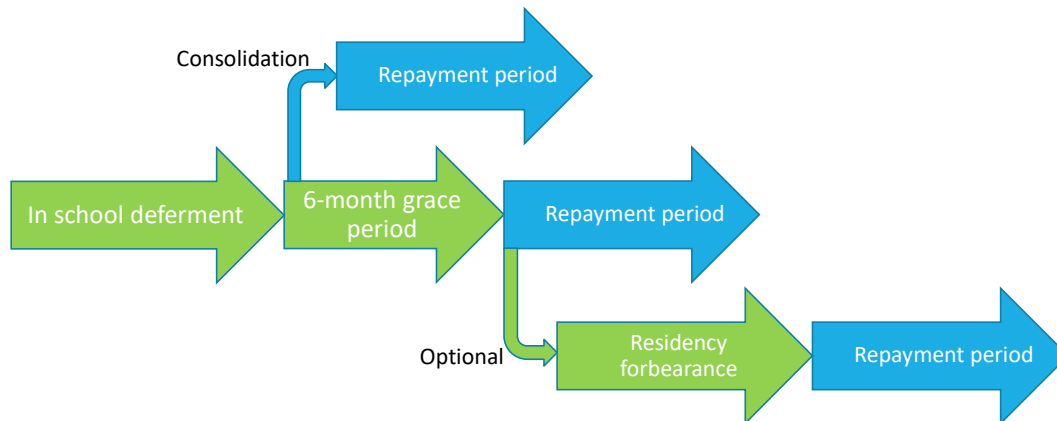
Always check with your loan servicer or loan documentation as the authoritative source.

These items have changed during the pandemic and may continue to change by actions in Washington and the courts.



WisMed Financial

Repayment Timeline



Tip! Consolidate early to skip the grace period.



WisMed Financial

Federal Student Loan Repay Options

Basic Repayment Plans

- Standard 10 Year Repayment, equal monthly payments
- Graduated 10 Year Repayment, monthly payments start lower then increase every 2 years
- Extended 25 Year Repayment, lower monthly payments either fixed or graduated

Income Driven Repayment (IDR) Plans

- Payment based on income instead of loan balance or interest rate
- Remaining loan balance forgiven after 10 years, 20 years, or 25 years



WisMed Financial


Narrowing the IDR Choices (Typical)

	ICR: Income-Contingent Repayment	IBR 2009: Income Based Repayment 15%	IBR 2014: Income Based Repayment 10%	PAYE: Pay as You Earn	REPAYE: Revised Pay-as-You-Earn See SAVE plan
Typical Loan Types	Parent loans	All except parent loans*	All except parent loans*	All except parent loans*	All except parent loans*
Loan Dates	N/A	N/A	No federal loan balance on 7/1/2014	New borrower with disbursement on or after 10/1/2011	N/A
Payment	Fixed over 12 years or 20% discretionary income	15% of discretionary income	10% of discretionary income	10% of discretionary income	10% of discretionary income

* May need to consolidate ineligible loans like Federal Perkins or FFEL loans so they qualify

	ICR: Income-Contingent Repayment	IBR 2009: Income Based Repayment 15%	IBR 2014: Income Based Repayment 10%	PAYE: Pay as You Earn	REPAYE: Revised Pay-as-You-Earn See SAVE plan
Discretionary Income	AGI exceeding poverty line	AGI exceeding 150% of poverty line	AGI exceeding 150% of poverty line	AGI exceeding 150% of poverty line	AGI exceeding 150% of poverty line
Payment capped at 10-year standard?	No, payment always driven by income	Yes	Yes	Yes	No, payment always driven by income
Length of repayment	25 years of PSLF	25 years or PSLF	20 years or PSLF	20 years or PSLF	20 years undergrad, 25 years graduate, or PSLF
Treatment of Accrued but Unpaid Interest	Interest capitalizes annually	No limit to interest capitalization	No limit to interest capitalization	Capitalized interest cannot exceed 10% of the loan amount entering plan	Only 50% of unpaid interest not covered by payment is charged to student loan account

2023-2024
SAVE plan and
new rules


WisMed Financial


SAVE plan rolling out 2023-2024

	PAYE: Pay as You Earn**	REPAYE: Revised Pay as You Earn See SAVE	SAVE: Saving on a Valuable Education
Typical Loan Types	All except parent loans*	All except parent loans*	All except parent loans*
Loan Dates	New borrower with disbursement on or after 10/1/2011	N/A	N/A
Payment	10% of discretionary income.	10% of discretionary income.	5% of discretionary income undergrad 10% of discretionary income grad school

July 2024

*May need to consolidate ineligible loans like Federal Perkins or FFEL loans so they qualify
** Must enroll prior to 7/1/2024

	PAYE: Pay as You Earn	REPAYE: Revised Pay-as You Earn See SAVE	SAVE: Saving on a Valuable Education	
Discretionary Income	AGI exceeding 150% of poverty line	AGI exceeding 150% of poverty line	AGI exceeding 225% of poverty line	2023
Payment capped at 10-year standard?	Yes	No, payment always driven by income	No, payment always driven by income	
Length of repayment	20 years (grad loans too) or 10 years PSLF	20 years undergrad, 25 years graduate, or PSLF	10 years if borrowed < \$12,000*, 20 years undergrad, 25 years grad, or 10 years PSLF	* July 2024
Treatment of Accrued but Unpaid Interest	Capitalized interest cannot exceed 10% of the loan amount entering plan	Only 50% of unpaid interest not covered by payment is charged to student loan account	Unpaid interest does not accrue	2023



WisMed Financial

SAVE plan rolling out 2023-2024

	PAYE: Pay as You Earn	REPAYE: Revised Pay-as You Earn See SAVE	SAVE: Saving on a Valuable Education	
Married Filing Joint	Use joint AGI and couple's combined debt for any of the 3 plans.			
Married Filing Separately	Use individual's AGI and individual's student debt	Use joint AGI and couple's combined debt	Use individual's AGI and individual's student debt	2023

<https://studentaid.gov/announcements-events/save-plan>



WisMed Financial

Switching Repayment Plans

Can switch among income driven repayment plans.

Sometimes advantageous to start with SAVE (unpaid monthly interest is subsidized) then switch to PAYE (monthly payment is capped and 5 years shorter than SAVE for grad loans) prior to higher income.

- Remember, you must have a *partial financial hardship* to apply for PAYE, so may not be able to switch once earning Attending income.
- Partial financial hardship = income driven payment is less than 10-year standard payment

Note: No new enrollments to PAYE after July 1, 2024, consider IBR plans for payment cap.



WisMed Financial

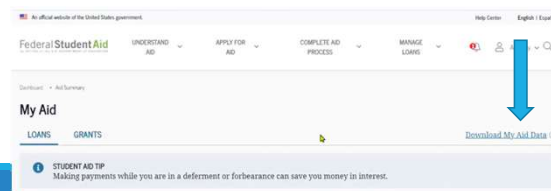
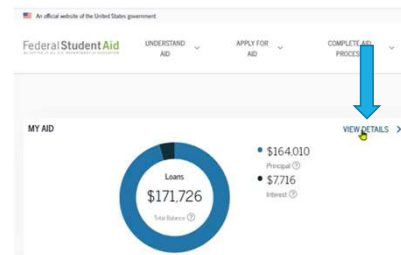
Student Loan Projection

<https://studentaid.gov/>

download MyStudentData.txt

<https://www.vin.com/studentdebtcenter/>

Import MyStudentData.txt





WisMed Financial

Action Steps

1. Run VIN student loan calculator
 - Download loan data file from <https://studentaid.gov/>
 - Calculator <https://www.vin.com/studentdebtcenter/>
2. Use the PSLF Help Tool
 - <https://studentaid.gov/pslf/>
 - Search for qualifying employers
 - Learn actions you need to become eligible for PSLF
 - Generate a PSLF form
3. Consolidate loans ineligible for PSLF or with different payment lengths by 12/31/2023
4. Review switching from SAVE to PAYE near end of residency or by 7/1/2024 if earlier



Other payment
plan considerations



WisMed Financial

Married Taxpayers Filing Separately

Example of a couple with 2 children in 2023:

\$270,000 physician income

\$300,000 physician's grad loans at 6%

\$0 spouse income

\$0 spouse loan

Loan payment for physician on PAYE:

MFJ = \$1,875

MFS (community property state) = \$750

MFS (common law state) = \$1,875

10-year standard payment = \$3,331

Community property states in red



Loan payment for physician on SAVE:

MFJ = \$1,688

MFS (community property state) = \$562

MFS (common law state) = \$1,688

By Legalskeptic - Own work, CC BY-SA 3.0, <https://commons.wikimedia.org/wiki/File:110017000>
Community property in the United States. (2023, April 27). In *Wikipedia*. https://en.wikipedia.org/wiki/Community_property_in_the_United_States



WisMed Financial

Married Taxpayers Filing Separately

Loan payment is based on borrower's income. By lowering the income from joint to single income, the loan payment could reduce.

However, married filing separately generally results in a higher tax payment.

1. Calculate taxes MFJ vs. MFS with tax preparer.
IRS Form 8958 to split income and withholding for MFS
2. Calculate student loan payment Married Filing Joint vs. Separately
<https://studentaid.gov/loan-simulator/> and/or <https://www.vin.com/studentdebtcenter/>
3. Net the results
4. Compare to projected forgiveness amounts

Agenda – 9 step financial blueprint

- | | |
|--|---|
| 1. Getting organized | 8. Federal student loan strategy |
| 2. Budget / cash flow | 9. Account priority savings order |
| 3. Insurance | * Save for home or next vehicle |
| 4. Power of attorney | * Life insurance when married and/or dependents |
| 5. Starter emergency fund | * Estate plan when married and/or dependents |
| 6. Debt elimination (except federal student loans) | |
| 7. Emergency fund, 3-6 months of living expenses | |



WisMed Financial

1. Getting organized

Create a balance sheet listing your assets (what you own) and liabilities (what you owe).
 - Apps, spreadsheet, pen and paper all work for this. Keep it simple.

Assets	Liabilities
Bank accounts	Auto loan
Vehicle	Private student loans
Home	Federal student loans
Investment accounts	Mortgage
	Home equity loan/line of credit
	Credit cards



WisMed Financial

1. Get organized - view your credit report

Check all *open* liability accounts in your name.

Annual CreditReport.com

The only source for your free credit reports. Authorized by Federal law.

[Home](#)
[All about credit reports](#)
[Request yours now!](#)
[What to look for](#)
[Protect your identity](#)
[Frequently asked questions](#)
[Contact us](#)

3 steps to your free credit reports



1. Fill out a form

2. Pick the reports you want

3. Request and Review your reports online



WisMed Financial

Tip - 7 ways to ruin your credit

Miss/late payments

High utilization rate of available credit

Closing all lines of credit

Falling behind on taxes

Selling your home via short sale

Multiple hard inquiries for credit

Co-signing for someone else with bad credit



WisMed Financial

Tip - 7 ways to improve your credit

Miss/late payments

On time payments

High utilization rate of available credit

Low usage of credit

Closing all lines of credit

Keep enough credit open

Falling behind on taxes

Pay taxes on time

Selling your home via short sale

Rent until you have a down payment

Multiple hard inquiries for credit

Only apply when needed

Co-signing for someone else with bad credit

Love them, don't lend to them



WisMed Financial

1. Get organized - Social Security access

“Create a personal [my Social Security](#) account to help you keep track of your records and identify any suspicious activity.” *Social Security. SSA.* (n.d.). Retrieved April 7, 2022, from <https://www.ssa.gov/fraud/>



my Social Security

Securely access information from your Social Security record, including earnings history and estimates of your retirement, disability and survivors benefits.



1. Get organized – prevent ID theft

WisMed Financial

Freeze or lock your credit reports for permanent protection.

Fraud alerts are only temporary protection.

1. <https://www.experian.com/freeze/center.html>
2. <https://www.equifax.com/personal/credit-report-services/credit-freeze/>
3. <https://www.transunion.com/credit-freeze>
4. <https://www.innovis.com/personal/securityFreeze>

(Temporarily thaw your credit when securing future loans.)

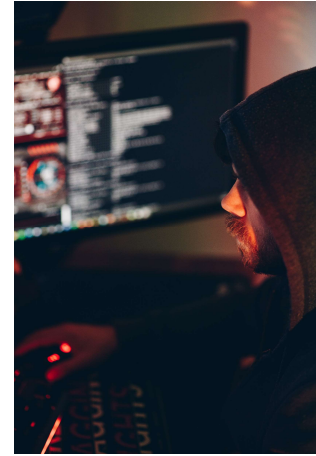


Photo by [Aurelio Lanza](#) from [iStock](#)



WisMed Financial

1. Get organized - password manager

Keep track of complex and unique passwords and PINs.

<https://www.pcmag.com/picks/the-best-password-managers>

<https://www.cnet.com/tech/services-and-software/best-password-manager/>



Photo by Miguel Á. Padrián: <https://www.pexels.com/photo/close-up-shot-of-keyboard-buttons-2882630/>



WisMed Financial

2. Zero Based Budget After Med School

- + Take Home Pay
- Fixed Expenses
- Future
- "F"ilanthropy
- Fun
- = \$0



Photo by [Iaroslav Gindovskiy](#) from [Pexels](#)



WisMed Financial

2. Zero Based Budget – the 4 F's

Monthly Take Home Pay		Update green fields					
\$	5,000.00						
Fixed <50%	Amount	Future 15-25%	Amount	"F"ilanthropy 10%	Amount	Fun 15-25%	Amount
Rent/mortgage <= 25%	\$ 1,300.00	401(k) or 403(b) \$22,500 max	\$ -	Charity	\$ 500.00	Vacation	\$ 75.00
Natural gas \$37	\$ 37.00	Backdoor Roth IRA \$6,500 max	\$ 541.67			Entertainment	\$ 100.00
Electricity \$129	\$ 129.00	HSA \$3,850 single \$7,750 family max	\$ -			Misc.	\$ 200.00
Water \$58	\$ 58.00	Taxable Investment / Emergency Fund	\$ 150.00			Debt snowball	\$ 500.00
Internet \$varies	\$ 100.00						
Cell phone \$104	\$ 104.00						
Transportation (gas, oil, repair) \$260	\$ 260.00						
Food \$296-\$452 per person	\$ 400.00						
Childcare	\$ -						
Insurance \$varies	\$ 150.00	Car	\$ -				
Minimum debt payments	\$ 362.00	Edvest 529	\$ -				
Subtotal	\$ 2,900.00		\$ 691.67		\$ 500.00		\$ 875.00
Actual Percentage	58%	(excludes car and 529)	14%		10%		18%
Total	\$ 4,966.67						
Surplus or Deficit	\$ 33.33	←Adjust categories above until amount is \$0					

2. Zero Based Budget – the 4 F's

Monthly Take Home Pay		Update green fields					
\$	13,000.00						
Fixed <50%	Amount	Future 15-25%	Amount	"F"ilanthropy 10%	Amount	Fun 15-25%	Amount
Rent/mortgage <= 25%	\$ 3,000.00	401(k) or 403(b) \$22,500 max	\$ 1,875.00	Charity	\$ 1,300.00	Vacation	\$ 450.00
Natural gas \$37	\$ 37.00	Backdoor Roth IRA \$6,500 max	\$ 1,083.33			Entertainment	\$ 1,500.00
Electricity \$129	\$ 129.00	HSA \$3,850 single \$7,750 family max	\$ 645.83			Misc.	\$ 1,000.00
Water \$58	\$ 58.00	Taxable Investment / Emergency Fund	\$ 500.00			Debt snowball	\$ -
Internet \$varies	\$ 100.00						
Cell phone \$104	\$ 208.00						
Transportation (gas, oil, repair) \$260	\$ 520.00						
Food \$296-\$452 per person	\$ 1,200.00						
Childcare	\$ -						
Insurance \$varies	\$ 450.00	Car	\$ 500.00				
Minimum debt payments	\$ -	Edvest 529	\$ 300.00				
Subtotal	\$ 5,702.00		\$ 4,904.17		\$ 1,300.00		\$ 2,950.00
Actual Percentage	44%	(excludes car and 529)	28%		10%		23%
Total	\$12,981.17						
Surplus or Deficit	\$ 18.83	←--Adjust categories above until amount is \$0					

3. Insurance

- Health insurance
- Disability insurance
- P&C (home/renters and auto)
 - o Consider umbrella policy
- Professional liability (medical malpractice)
 - o Injured Patients & Families Compensation Fund (IPFCF)
- Life insurance if supporting spouse or kids





WisMed Financial

3. Disability Insurance

- Max limit is usually 2/3 of income
- Own occupation = cannot do your job
 - Get a policy that uses own occupation definition
- Any occupation = cannot do any job
- Employer provided group disability coverage is a taxable benefit, unless you pay taxes on the premiums.
 - Switch tax treatment with payroll.



"Insurance" by Alan Downer is licensed under CC BY 2.0



WisMed Financial

3. Life Insurance

- Term life should be most or all of your coverage
- If someone relies on you for income, you need life insurance
- 10 to 15 x's your income (or future income)
- Policy should last until kids raised and/or you are near retirement



"Insurance" by Alan Downer is licensed under CC BY 2.0



WisMed Financial

Just for Fun – Quiz Time

What do these people
have in common?



- Martin Luther King, Jr.
- Jimi Hendrix
- Tupac Shakur
- John Denver
- Prince
- President Lincoln



4. Healthcare & Financial Power of Attorney

WisMed Financial

Springing - becomes effective upon incapacitation

Immediate - effective now

Durable - stays in force during incapacity. A springing power of attorney is also durable.

HIPAA – often included in a power of attorney so the agent has access to medical information

Agent – the person named to act on behalf of the person

Anyone age 18+ should consider signing power of attorney documents.

WI Dept of Health Services has template power of attorney forms
<https://www.dhs.wisconsin.gov/forms/advdirectives/index.htm>





WisMed Financial

4 ½. Documents if married / kids

Financial (durable) power of attorney – someone makes financial decision for you during life

Healthcare power of attorney – someone makes healthcare decisions for you during life

Will – transfers assets with probate. Only document to name a guardian for children.

Trust – transfers assets without probate, may also hold and protect assets for minor or adult beneficiaries

Marital property agreement with Washington Will in WI – transfers assets to trust without probate

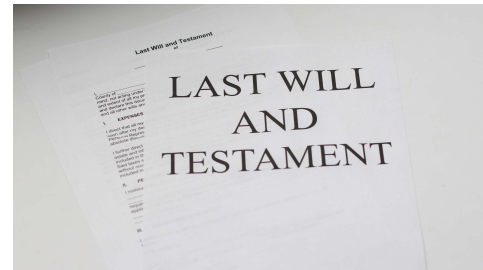


Photo by [Wolfgang Schmitt](#) on [iStock](#)



WisMed Financial

5. Emergency Money

Initially \$1,000-\$2,000

Then

3-6 months of livings expenses after debts paid (except federal student loans and mortgage)



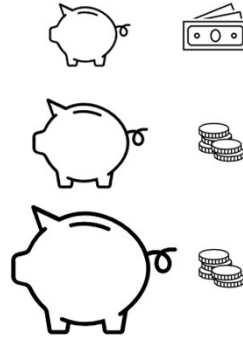
<https://www.pexels.com/photo/writings-in-a-planner-636246/>



WisMed Financial

6. Debt Snowball

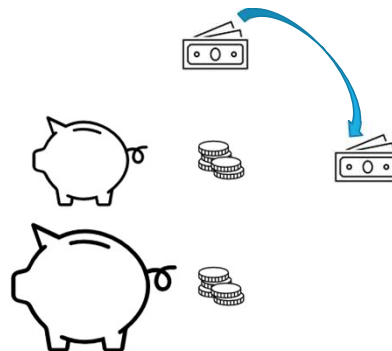
1. Sort debts from lowest to highest balance (except federal student loans and mortgage.)
2. Pay the minimum on all debt except lowest balance.
3. Pay as much as possible on lowest balance until paid off.
4. Add total payment from lowest balance debt to next lowest balance until paid off.
5. Repeat until all debt eliminated!



WisMed Financial

6. Debt Snowball

1. Sort debts from lowest to highest balance (except federal student loans and mortgage.)
2. Pay the minimum on all debt except lowest balance.
3. Pay as much as possible on lowest balance until paid off.
4. Add total payment from lowest balance debt to next lowest balance until paid off.
5. Repeat until all debt eliminated!

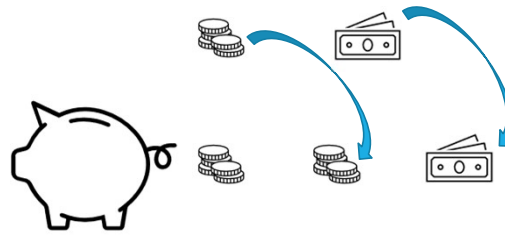




WisMed Financial

6. Debt Snowball

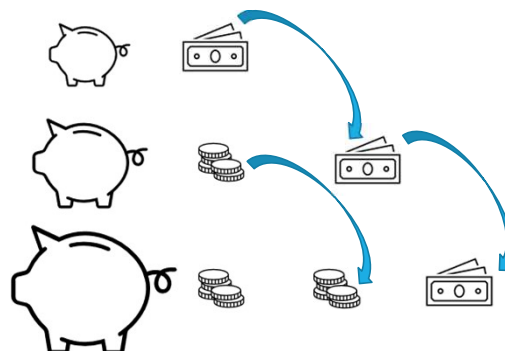
1. Sort debts from lowest to highest balance (except federal student loans and mortgage.)
2. Pay the minimum on all debt except lowest balance.
3. Pay as much as possible on lowest balance until paid off.
4. Add total payment from lowest balance debt to next lowest balance until paid off.
5. Repeat until all debt eliminated!



WisMed Financial

6. Debt Snowball

1. Sort debts from lowest to highest balance (except federal student loans and mortgage.)
2. Pay the minimum on all debt except lowest balance.
3. Pay as much as possible on lowest balance until paid off.
4. Add total payment from lowest balance debt to next lowest balance until paid off.
5. Repeat until all debt eliminated!

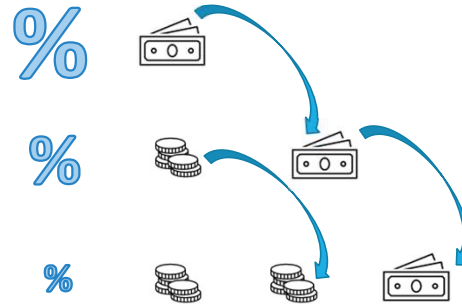




WisMed Financial

6. Debt Avalanche

1. Similar to debt snowball except debts are sorted from highest to lowest interest rate.
2. Pay the minimum on all debt and as much as possible on the highest interest rate debt.
3. After highest interest rate debt is paid off, pay as much as possible to next highest interest rate debt.
4. Repeat until all debt eliminated!



WisMed Financial

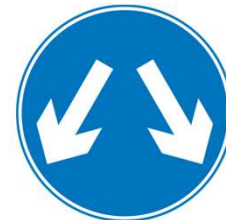
6. Snowball or Avalanche?

Both are good choices.

- Snowball is more motivating. You see elimination of entire accounts quickly.

- Avalanche reduces total interest. However, if loans are paid quickly, interest won't accrue so the benefit is negligible.

- If two debts have similar balances, pay off higher interest debt first in snowball method.





WisMed Financial

7. Emergency Money

3-6 months of living expenses after debts paid (except federal student loans and mortgage)



<https://www.pexels.com/photo/writings-in-a-planner-636246/>

8. Federal Student Loans



WisMed Financial



Created by the Wisconsin Medical Society

5 ways to eliminate debt besides payments



WisMed Financial

Debt – Student Loans

5 ways to make debt disappear:

- Discharge
- Perkins Loan Cancellation
- Loan Repayment Programs
- Loan Forgiveness
- Public Service Loan Forgiveness



No attribution required. <https://pixabay.com/photos/farewell-say-goodbye-bye-road-3258939/>



WisMed Financial

Loan Discharge

- Closed school discharge
- Errors or fraud at the school:
 - False certification, borrower defense to repayment, unpaid refund
- Death or total permanent disability
- Bankruptcy (rare, by default student loans are not discharged)
- Similar discharge available for parent borrowers

<https://studentaid.gov/manage-loans/forgiveness-cancellation>



WisMed Financial

Loan Discharge

“I’m married with \$400,000 of medical school debt. If I die, will my spouse be required to repay my loans?”

1. No. Federal loans are discharged upon death.
2. Possibly for private student loans. Check loan document.



WisMed Financial

Perkins Loan Cancellation

Typically, doesn't apply to physicians, but may apply to your spouse.

- Teachers in certain communities or subjects
- Family services agency employees
- Law enforcement, firefighters, and military
- Nurse or medical technician
- Librarian and speech pathologist with master's degrees at Title I school
- Provider of early intervention (disability) services
- Public defender
- Volunteer service (AmeriCorps VISTA or Peace Corps)

<https://studentaid.gov/manage-loans/forgiveness-cancellation>



WisMed Financial

Repayment Programs – HRSA Search Tool

State Loan Repayment Program Contacts


The State Loan Repayment Program (SLRP) varies from state to state/territory, and may differ in [eligible disciplines](#), [practice sites](#), [length of required service commitment](#), and the amount of loan repayment assistance offered.

Contact the state or territory program office for more information on the individual entities' program requirements.

HRSA awarded a total of **\$99,986,708** across **46** states, Washington, DC and **three** territories. [See a breakdown of the year-by-year funding.](#)


Alabama | [Alaska](#) | [Arizona](#) | Arkansas | [California](#) | [Colorado](#) | [Connecticut](#) | [Delaware](#) | [District of Columbia](#) | Florida | [Georgia](#) | [Guam](#) | [Hawaii](#) | [Idaho](#) | [Illinois](#) | [Indiana](#) | [Iowa](#) | [Kansas](#) | [Kentucky](#) | [Louisiana](#) | [Maine](#) | [Maryland](#) | [Massachusetts](#) | [Michigan](#) | [Minnesota](#) | [Mississippi](#) | [Missouri](#) | [Montana](#) | [Nebraska](#) | [Nevada](#) | New Hampshire | [New Jersey](#) | [New Mexico](#) | [New York](#) | [North Carolina](#) | [North Dakota](#) | [Northern Mariana Islands \(U.S. Territory\)](#) | [Ohio](#) | [Oklahoma](#) | [Oregon](#) | Pacific Basin | [Pennsylvania](#) | [Puerto Rico](#) | [Rhode Island](#) | [South Carolina](#) | [South Dakota](#) | [Tennessee](#) | [Texas](#) | [U.S. Virgin Islands](#) | [Utah](#) | [Vermont](#) | [Virginia](#) | [Washington](#) | [West Virginia](#) | [Wisconsin](#) | [Wyoming](#)

<https://nhsc.hrsa.gov/loan-repayment/state-loan-repayment-program/contacts>



WisMed Financial

Repayment Program - AAMC Search Tool



AAMC
Loan Repayment/Forgiveness/Scholarship and Other Programs

Loan Repayment/Forgiveness/Scholarship and Other Programs


Welcome to the State and Federal Loan Repayment, Forgiveness, Scholarship, and Other Programs database. This searchable database provides detailed information about many of the state and federal programs available to medical and dental students. Please note this compilation of listings is not exhaustive. Your medical school advisor or financial aid advisor may have information regarding additional resources that are not listed here.

Key word search

Total Number of All Programs: 72

Program	State/Other	Designation
Arizona Loan Repayment Program	Arizona	State
Board of Medical Scholarship Awards	Alabama	State
CalHealthCares	California	Federal
California State Loan Repayment Program	California	Federal/State
Colorado Health Service Corps Loan Repayment Program	Colorado	State
Community Match Rural Physician Recruitment Program	Arkansas	State
County Medical Services Program Loan Repayment Program (CMSP LRP)	California	Federal/State
DC Health Professional Loan Repayment Program (HPLRP)	District of Columbia	Federal/State
Delaware State Loan Repayment Program	Delaware	Federal/State
Doctors for Maine's Future Scholarship	Maine	State
Dr. James L. Hutchinson and Evelyn Ribbs Hutchinson Medical School Scholarship	California	State
Georgia Physician Loan Repayment Program (GPLRP)	Georgia	Federal/State
Health Professional Loan Repayment Program (HPLRP)	New Mexico	Federal/State
Health Professions Loan Assistance Program	Wisconsin	State
Indian Health Service Loan Repayment Program	Maryland	Federal
Indian Health Service Scholarship Program	Maryland	Federal
Kansas Bridging Plan	Kansas	State
Kansas State Loan Repayment Program	Kansas	Federal/State
Kentucky State Loan Repayment Program	Kentucky	State
Louisiana State Loan Repayment Program	Louisiana	Federal/State
Maine Health Professionals Loan Program	Maine	State

https://systems.aamc.org/fed_loan_pub/index.cfm?fuseaction=public.welcome



WisMed Financial

Repayment Programs - example

PROGRAM TYPE	NHSC Loan Repayment Program	NHSC SUD Workforce Loan Repayment Program	NHSC Rural Community Loan Repayment Program
DISCIPLINES ELIGIBLE FOR ALL PROGRAMS	Physicians (DO/MD) • Nurse Practitioners (NP) • Physician Assistants (PA) • Certified Nurse Midwives (CNM) Health Service Psychologists (HSP) • Licensed Clinical Social Workers (LCSW) • Psychiatric Nurse Specialists (PNS) Marriage and Family Therapists (MFT) • Licensed Professional Counselors (LPC)		
DISCIPLINES ELIGIBLE FOR SPECIFIC PROGRAMS	+ Dentists (DDS/DMD) Dental Hygienists (RDH)	+ Substance Use Disorder (SUD) Counselors Pharmacists (PHARM) Registered Nurses (RN)	+ Substance Use Disorder (SUD) Counselors Pharmacists (PHARM) Registered Nurses (RN) Certified Registered Nurse Anesthetists (CRNA)
AWARD AMOUNT	up to \$50K full-time / up to \$25K part-time	up to \$75K full-time / up to \$37.5K part-time	up to \$100K full-time / up to \$50K part-time
SERVICE COMMITMENT	2 YEARS	3 YEARS	

<https://nhsc.hrsa.gov/loan-repayment/nhsc-all-loan-repayment-programs-comparison>



Repayment Programs - example



Loan Repayment Program

LRP Basics

Eligible Health Professions

How LRP Can Work For You

LRP Basics

Eligibility/Selection Criteria

Financial Incentives

Other Resources

Apply Now

Online Login

If you are a dedicated health professional willing to fulfill a two-year service commitment, the IHS Loan Repayment Program (LRP) can help you chart a course for a long-lasting and successful health care career. The LRP awards repayment of up to \$40,000 for qualified health profession education loans to clinicians who commit to practice in health facilities serving American Indian and Alaska Native communities for an initial two-year commitment. Opportunities are based on Indian health program facilities with the greatest staffing needs in specific health profession disciplines.

<https://www.ihs.gov/loanrepayment/index.cfm>



Repayment Programs - example

Home / Employment, Top Stories, VA Careers

Pay off your school debt quickly with this VA program

Earning an advanced degree with little or no debt sounds almost too good to be true, doesn't it? But for health care professionals who take advantage of VA's [Education Debt Reduction Program \(EDRP\)](#), it isn't.

One of the most comprehensive education support programs in the nation, EDRP provides up to \$40,000 a year — or \$200,000 over a five-year period — in loan repayment.

<https://news.va.gov/80815/pay-off-school-debt-quickly-va-program/>



WisMed Financial

Loan Forgiveness

- Do not need to work for government or 501(c)3 not-for-profit
- Must be on an Income-Drive Repayment (IDR) plan
- Generally, Federal loans only
- 20 years of payments for undergrad loans or 20-25 years for graduate or professional study loans depending on payment plan
- Document qualified payments with loan servicer and recertify income and family size
- Amount forgiven is generally taxable*

*American Rescue Plan Act of 2021 makes forgiveness non-taxable through 2025

<https://studentaid.gov/manage-loans/repayment/plans/income-driven>



WisMed Financial

Public Service Loan Forgiveness (PSLF)

- Applies to Federal Direct Loans only
- Make 120 qualifying monthly payments under an IDR plan
- Work full time for qualifying employer (government or not-for-profit organization)
- Document qualified payments and qualifying employer with loan servicer (MOHELA) and recertify income and family size
- Amount forgiven is tax free

<https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>



WisMed Financial

9. Investing Priority Order

1. Employer retirement plan to maximum match
 2. Employer retirement plan to contribution maximum.
 3. Roth IRA or Backdoor Roth IRA.
 4. Health Savings Account (requires high deductible health plan)
 5. Taxable investment account
 6. College savings for children
- 2, 3, and 4. can be interchanged depending on personal circumstances



Backdoor Roth IRA



WisMed Financial

Wisconsin Medical Society
Member Benefit

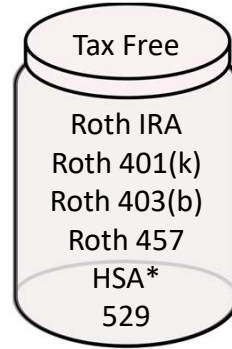
Account Types



Ordinary Income Tax



Ordinary Income or Capital Gain Tax



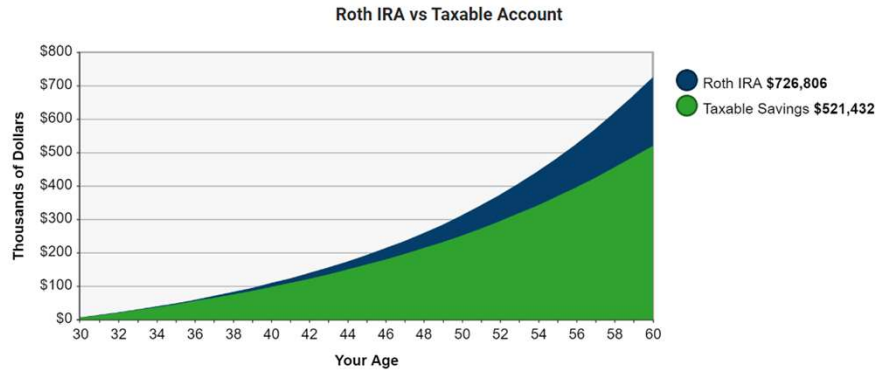
No Tax

* Tax free for qualifying health expenses

Roth IRA

30-year-old, maximum contribution yearly, 7% return

= \$205,374 tax savings per person!



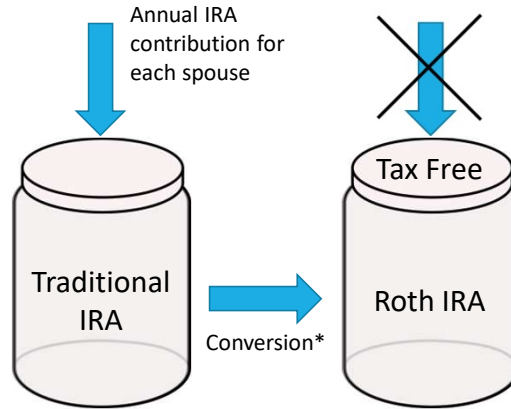
<https://www.fidelity.com/learning-center/retirement/roth-ira>



WisMed Financial

Backdoor Roth IRA

Traditional IRA contributions and conversions to Roth IRA are allowed with any income.



*If you have an existing IRA balance (SIMPLE, SEP, or traditional IRA) an additional step is needed first.



WisMed Financial

Portfolio Components

Cash

Bonds

Stocks

Mutual Funds or Exchange Traded Funds



WisMed Financial

Mutual Funds & Exchange Traded Funds

1 share of a fund buys a pool of investments

SPDR® S&P 500 ETF Trust SPY

Holdings	% Portfolio Weight	First Bought
Apple Inc	6.34	Mar 31, 2002
Microsoft Corp	5.43	May 02, 2017
Amazon.com Inc	4.39	May 02, 2017
Facebook Inc A	2.23	Dec 23, 2013
Alphabet Inc A	1.77	Mar 31, 2006
Alphabet Inc Class C	1.74	Apr 03, 2014
Berkshire Hathaway Inc Class B	1.54	Feb 28, 2010
Johnson & Johnson	1.33	Mar 31, 2002
Visa Inc Class A	1.22	Dec 31, 2009
JPMorgan Chase & Co	1.21	Mar 31, 2002



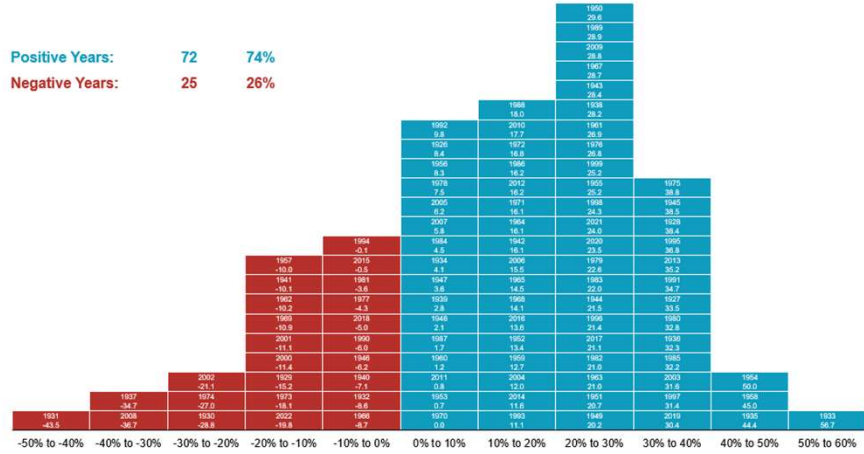
WisMed Financial

Stock Funds vs. Bond Funds



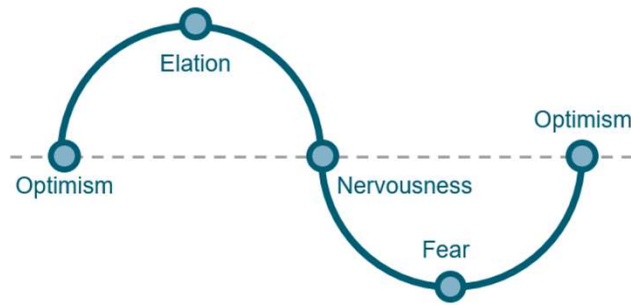
Distribution of US Market Returns

CRSP 1-10 Index returns by year
1926-2022



In US dollars. CRSP data provided by the Center for Research in Security Prices, University of Chicago. The CRSP 1-10 Index measures the performance of the total US stock market, which it defines as the aggregate capitalization of all securities listed on the NYSE, AMEX, and NASDAQ exchanges. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

Many Investors Follow Their Emotions



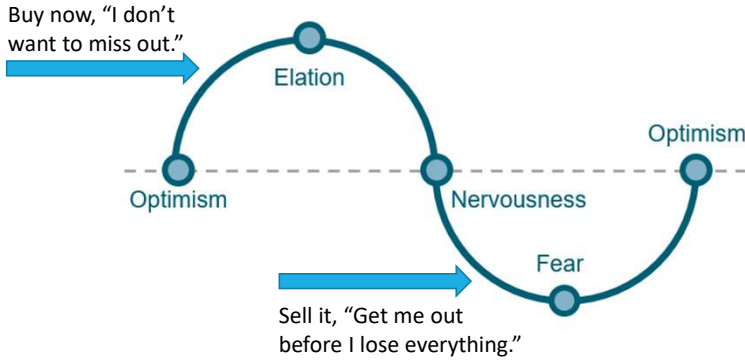
People may struggle to separate their emotions from their investment decisions.

Following a reactive cycle of excessive optimism and fear may lead to poor decisions at the worst times.

Many Investors Follow Their Emotions



WisMed Financial



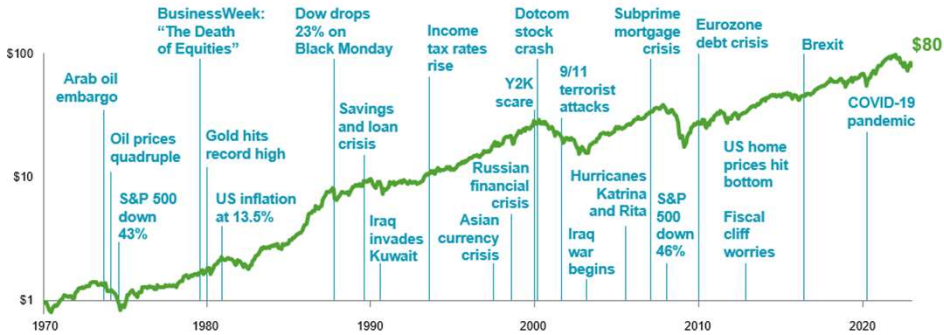
Trading on feelings means buying high and selling low.



WisMed Financial

"This Time It's Different" (nope, it isn't)

Growth of a dollar—MSCI World Index (net dividends), 1970–2022



In US dollars. MSCI data © MSCI 2023. All rights reserved. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is no guarantee of future results.

Reacting Can Hurt Performance

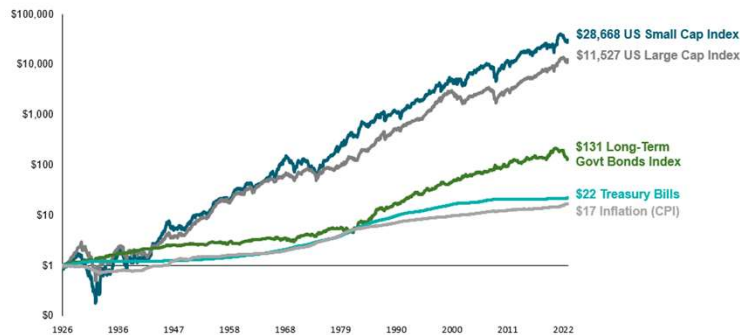
Performance of the S&P 500 Index, 1990–2022



Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. In US dollars. For illustrative purposes. The missed best day(s) examples assume that the hypothetical portfolio fully divested its holdings at the end of the day before the missed best day(s), held cash for the missed best day(s), and reinvested the entire portfolio in the S&P 500 at the end of the missed best day(s). Annualized returns for the missed best day(s) were calculated by substituting actual returns for the missed best day(s) with zero. S&P data © 2023 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. *One-Month US T-Bills* is the IA S&BI US 30 Day TR USD, provided by Ibbotson Associates via Morningstar Direct. Data is calculated off rounded daily index values.

Asset Allocation

Monthly growth of wealth (\$1), 1926–2022



In US dollars. US Small Cap is the CRSP 6–10 Index. US Large Cap is the S&P 500 Index. US Long-Term Government Bonds is the IA S&BI US LT Gov't TR USD. US Treasury Bills is the IA S&BI US 30 Day TR USD. US Inflation is measured as changes in the US Consumer Price Index. CRSP data is provided by the Center for Research in Security Prices, University of Chicago. S&P data © 2023 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. US Long-term government bonds and Treasury bills data provided by Ibbotson Associates via Morningstar Direct. US Consumer Price Index data is provided by the US Department of Labor Bureau of Labor Statistics. Past performance is no guarantee of future results. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

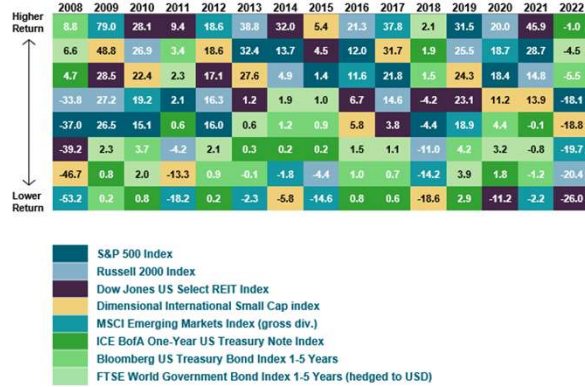
Diversification Helps Take the Guesswork Out of Investing



Annual returns (%): 2008–2022

You never know which markets will outperform from year to year.

By holding a globally diversified portfolio, investors are positioned to capture returns wherever they occur.

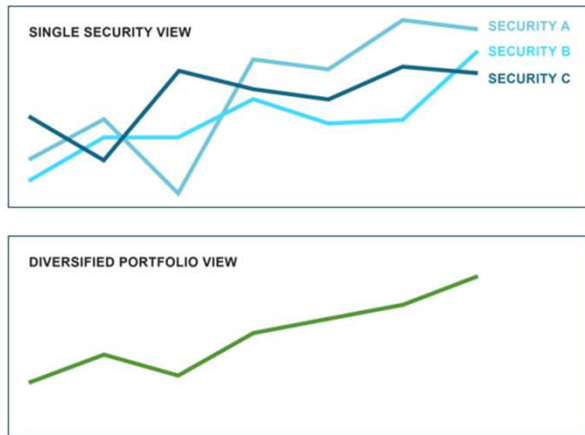


In US dollars. Source: S&P and Dow Jones data © 2023 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell indices. Dimensional Index data compiled by Dimensional. MSCI data © 2023, all rights reserved. ICE BofA index data © 2023 ICE Data Indices, LLC. Bloomberg data provided by Bloomberg. FTSE fixed income indices © 2023 FTSE Fixed Income LLC. All rights reserved. See "Index Descriptions" in the appendix for descriptions of Dimensional's index data. Diversification does not eliminate the risk of market loss. Past performance is not a guarantee of future results. Indices are not available for direct investment. Their performance does not reflect expenses associated with the management of an actual portfolio.

Diversification Smooths Out Some of the Bumps



Called the "only free lunch in finance" by Nobel Prize winner Harry Markowitz, investing across multiple asset classes reduces risk while sacrificing little in expected returns.



Asset Selection

Active Funds:

- Fund manager(s) try to beat market
- Buy and sell stocks inside fund based on their research and forecasting
- Higher expenses than passive funds

Passive Funds:

- Try to match the market, not beat it
- Mimic a market index like S&P 500
- Lower expenses than active funds



Asset Selection

Target date funds:

- Ideal way to start saving
- All assets with same tax status
- Years away from spending
- One fund with diversified portfolio inside

Vanguard Target Retirement 2050 Inv VFIX ★★★★★  Morningstar Analyst Rating
Analyst rating as of Mar 13, 2020

Quote Fund Analysis Performance Risk Price Portfolio People Parent

Portfolio Equity Bond

Asset Allocation

Asset Class	Net	Short	Long	Cat.	Index
U.S. Equity	53.95	0.00	53.95	54.30	55.92
Non-U.S. Equity	36.56	0.00	36.56	30.74	36.88
Fixed Income	9.33	0.07	9.41	6.20	7.13
Other	0.03	0.00	0.03	7.00	0.04
Cash	0.04	0.18	0.23	2.06	0.00
Not Classified	0.08	0.00	0.08	0.08	0.03

Fund as of Oct 31, 2020 | Category: Target-Date 2050 as of Oct 31, 2020 | Index: Morningstar Lifetime Mod 2050 TR USD as of Nov 30, 2020

Stock Style Map Weight Historical





WisMed Financial

Asset Selection

Individual funds:

- Multiple funds working together to create portfolio
- Spend investment soon
- Mix of accounts: tax deferred, taxable, tax free
- Varying cash flow (i.e. timing of Social Security)
- Socially responsible
- Tax sensitivity
- Income generation



WisMed Financial

Bonus Topics

Selling I Bonds

Issue Date	Fixed Rate	May-23	Nov-22	May-22	Nov-21
05/23 - 10/23	0.90%	4.30%			
11/22 - 04/23	0.40%	3.79%	6.89%		
05/22 - 10/22	0.00%	3.38%	6.48%	9.62%	
11/21 - 04/22	0.00%	3.38%	6.48%	9.62%	7.12%

<https://www.treasurydirect.gov/files/savings-bonds/i-bond-rate-chart.pdf>

Interest rate changes depend on when we issued the bond

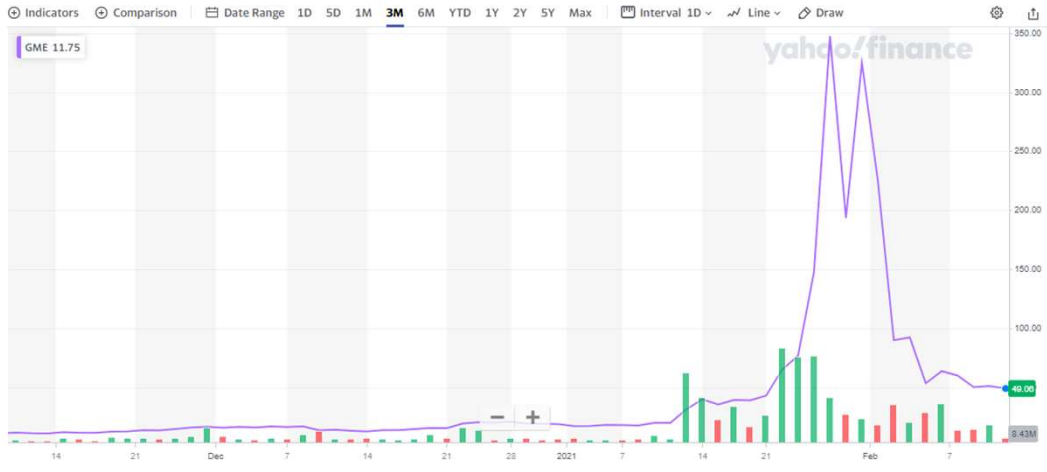
Although we announce the new rates in May and November, the date when the rate changes for your bond is every 6 months from the issue date of your bond. Use this table to understand when each new rate begins to apply to your I bond.

If we issued your bond in	Your interest rate changes every
January	July 1 and January 1
February	August 1 and February 1
March	September 1 and March 1
April	October 1 and April 1
May	November 1 and May 1
June	December 1 and June 1
July	January 1 and July 1
August	February 1 and August 1
September	March 1 and September 1
October	April 1 and October 1
November	May 1 and November 1
December	June 1 and December 1



WisMed Financial

Just for Fun – GameStop Short Squeeze

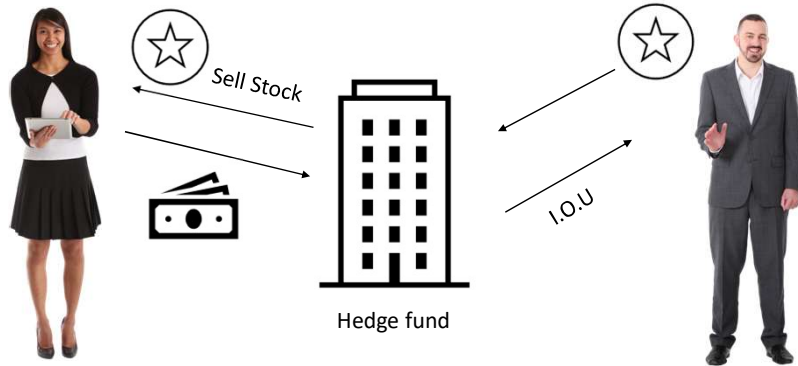


WisMed Financial

Just for Fun – GameStop Short Squeeze

Shorting stock:

- Not recommended!
- Borrow shares of stock
- Sell shares for cash
- Buy shares back later
- Return shares to lender



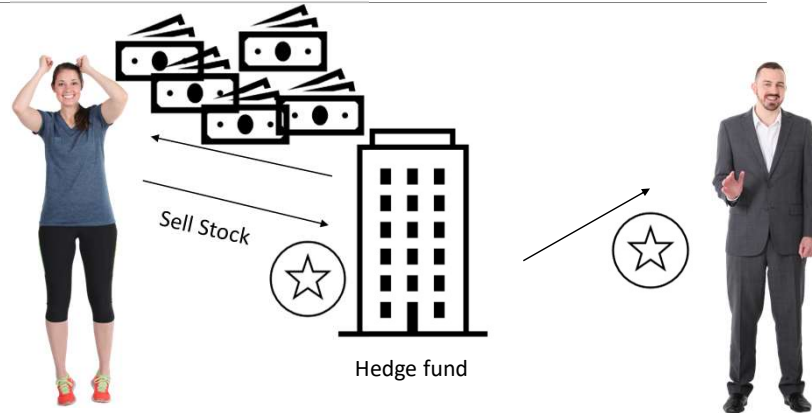


WisMed Financial

Just for Fun – GameStop Short Squeeze

Shorting stock:

- Not recommended!
- Borrow shares of stock
- Sell shares for cash
- Buy shares back later
- Return shares to lender



Cryptocurrency

- ▶ Missing qualities of an investment
 - ▶ Does not earn interest
 - ▶ Does not pay dividends
 - ▶ Does not earn profits for shareholders
 - ▶ Does not produce a product or service
 - ▶ Returns / losses are based on someone else willing to pay more or less than you did



WisMed Financial



Photo by [Robert Taylor](#) on [Unsplash](#)



WisMed Financial

Q&A

Slides at WisMedFinancial.org/WOS-2023



Contact Mark



Mark Ziety, CFP®, AIF®
(608) 442-3750
Mark.Ziety@WisMedFinancial.org

