

Spotlight

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Don't Let Account Holds Ruin Your Vacation

Everyone's nightmare: You're at a restaurant with a business client or a date and your debit card is declined. No one wants it to happen to them, but it can--even if you have enough money in your account to cover the bill.

There are a number of reasons you might be prevented from using the funds in your account:

- Pre-authorization holds - You've made a purchase that has not cleared your account, but the funds have been put on hold.
- Account "blocking" - The gas station, restaurant, hotel, or car rental agency "blocks" the funds they think they *might* need.
- Fraud protection - Some transactions may be disallowed because they don't appear legitimate.

For debit card users, blocking happens most often at gas pumps, but can occur whenever you use your card before knowing how much you'll be spending. Preauthorizations are similar to blocking, but are usually on amounts that are firm, such as when you pay at the supermarket

According to the Federal Trade Commission (FTC), merchants use blocking to make sure you don't exceed your account balance before leaving a gas station or checking out of a hotel, leaving the merchant unpaid.

Here are some tips to help prevent the embarrassment and inconvenience associated with loss of access to your money:

- Use credit cards, not debit cards, for large expenses such as hotel bills and car rentals.
- When you're traveling, use major gasoline brands instead of older, rural, or off-brand stations. Larger, name brand gas stations are more likely to process transactions daily, while the smaller businesses may only process transactions every two or three days.
- When you pay for your fill up, be sure to use "credit" rather than "debit". Debit transactions at the pump can trigger holds up to \$90.00. Credit transactions hold \$1.00.
- Let us know you're traveling. Our fraud protection services learn your habits and might block your card if we detect unusual behavior, particularly in distant locations.
- Keep your contact information up to date. If we detect a potentially fraudulent transaction we may try to contact you before we block the transaction. If we are unable to reach you, we may choose to block your card, not just that one transaction.
- Call us before you complete an overseas transaction online. Those transactions are often blocked by default. You can request we lift that restriction for your transaction.
- Cedar Point will lift preauthorizations after three days or when the transaction clears your account. However, if the transaction has not cleared and we lift the account hold, you are still liable for that payment, so be sure to account for that when making other purchases.



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Nine Essential Estate-Planning Tips*

1. Get organized

Organize all your financial files to take account of everything you own and everything you owe. File your papers by category and weed out old documents such as expired insurance policies that have no possibility of claims, outdated mutual fund annual reports, and records from vehicles you no longer own.

2. Calculate your net worth

Create a net worth statement. For your assets, include the current value of your home, vehicles, personal property, savings, investments, retirement accounts, and any life insurance cash values or any other assets. For your liabilities, include any mortgage, credit card balances, loans against life insurance policies, or other outstanding debt. Then see where you stand by subtracting your liabilities from your assets.

3. Prepare for the possibility of incapacity

A durable power of attorney for finances allows you to designate someone you trust to manage your financial affairs. A durable power of attorney for health care allows you to appoint someone to make decisions about your medical treatment. And a living will spells out your wishes regarding the use of life-sustaining procedures.

4. Write or update your will

Any property you don't leave through these methods is governed by the state intestacy laws. The intestacy laws in most states make no provisions for those who aren't related to you by blood, marriage, or adoption. Consequently, you'll lose out on the chance to leave anything to anyone unrelated to you under the state definition, including stepchildren, unmarried partners, and friends.

5. Check your beneficiaries and how your assets are held

Review your designated beneficiaries on your investments, retirement plans, annuities, and life insurance policies. The designations on these documents supersede your will instructions. Also review the title registrations on all your assets to ensure they meet your current needs and to ensure that your property will be passed to your beneficiaries in the most tax-efficient manner.

6. Take steps around probate with a few forms

For savings and money market deposit accounts, checking accounts, share certificates, and Treasury securities, you can complete a pay-on-death form. For brokerage accounts, Maryland residents can complete a transfer-on-death form.

With these designations your beneficiary has no right to the assets in your accounts until your death, so you retain complete control during your lifetime.

**The information contained in this article is for general information purposes only. Although the information is about legal and tax issues, it should not be taken as legal or tax advice. You should consult an attorney or tax advisor for advice regarding your individual situation.*



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FED Benefits

Wednesday, October 22, 2014
Retirement Planning

Wednesday, November 12, 2014
&

Wednesday, February 11, 2015
Estate Planning Basics

presented by Joann Wood
The Law Office of Joann M. Wood, LLC

Seminars begin at 6:00 pm
and are free and open to the public.

Headquarters Office
22745 Maple Road, Lexington Park

Reservations are requested.

Please call Dora (ext 8427) or Michele (ext 8432)

301-863-7071

7. Consider if trusts should be part of your estate plan

Technically, a trust is a legal relationship in which a person or trust company holds property for the benefit of him or herself or another beneficiary. Trusts can help you avoid probate, make charitable gifts, or help manage your affairs if you become disabled. If you have substantial assets, setting up certain types of trusts also can help reduce estate taxes.

8. Keep your plans up-to-date

Review your plans to make sure they still meet your needs and that they comply with the new federal and state estate tax laws. If you experience significant changes in your life, update your will and other estate planning documents.

9. Make an appointment with CPFS, Inc.*

Cedar Point Financial Services, Inc. can help you work through these often complicated and difficult decisions. Call 301-863-7071 or 800-201-1647 and ask for Dora (ext. 8427) or Michele (ext. 8432) to make an appointment with Dave Cassard or Colleen Blundell today!

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