



Financial Planning Considerations When Negotiating a Contract



Samantha Holowka, CLU and Brian Ford, CFP®
CLU® ChFC® CLTC®

Northwestern Mutual Financial Advisors

Samantha.holowka@nm.com 404-281-2196

Brian.ford@nm.com 404-593-3625

Longer-Term Compensation Changes

What are your salary expectations in the beginning and long term?

What is the upside over time PER THE CONTRACT?

What are the limitations within the first year(s) or after the first year(s)?

How is your compensation structure going to impact your ability to paydown loans, save and budget a lifestyle initially, AND in the near future?

Remember your lifestyle spend will usually increase over time, especially if you have children and a demanding career.

Contract ideally will accommodate your desire for increased income to fuel your lifestyle budget, savings budget to meet future goals and debt repayment plan.

Malpractice Insurance Agreement

What is the malpractice insurance agreement?

When will you need to pay it yourself?

After the first year?

How much is it?

Again, you will take a pay cut when you take over premiums, which will decrease your budget if compensation doesn't grow to offset premiums.

How Are You Paid Through Benefits?

- What are your covered benefits per the contract? How long?
 - Health, vision, dental insurance?
 - Short term & Long term disability?
 - 401(k)/403(b) access?
 - Other tax deferred savings options 457 Plans, Deferred Compensation Plans?
 - Health Savings Account, Flexible Spending Account?
 - Life insurance?
 - Student loan forgiveness or paydown?

ASK because it impacts your take home income, future financial security and tax liability.

Value of 1099 Contract vs. W2 Contract

	1099 Contract	W2 Contract
Taxes *Consult a CPA for your exact contract and income level	Self employment tax is higher, more deductions/write offs	Shared liability with employer, limited write offs
Savings Vehicles	May not have access to 401(k) or other plan through employer, no match, may be able to save MORE in solo 401(k) or SEPIRA	May have access to employer sponsored and matched 401(k). Limited to tax deductible savings through employer. May be 2-3 plans to deduct savings through employer
Benefits	Usually no benefits are provided. You must obtain health, vision, dental, short term & long term disability income, HSA or FSA and retirement benefits on your own	Usually most benefits offered to non physician employees are offered, however sometimes LTD is excluded or limited to own occupation for 24 months



Questions and follow up

Dr. Agnieszka Solberg

Dr. Taj Kattapuram

Solbergmd.com

Next book club 2/26/2020

Aimee L. Lowe, JD

Lowe Legal Group

aimee@lowelegalgroup.com

www.lowelegalgroup.com

Samantha Holowka, CLU and

Brian Ford, CFP® CLU® ChFC® CLTC®

Northwestern Mutual/Physicians Nationwide

Samantha.holowka@nm.com

404-281-2196

Brian.ford@nm.com 404-593-3625



Disclosure

This publication is not intended as legal or tax advice. Northwestern Mutual Financial Advisors do not render tax advice. Please consult with a qualified tax professional for tax advice.

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company, Milwaukee, WI (NM) (life and disability insurance, annuities, and life insurance with long-term care benefits) and its subsidiaries. Samantha Holowka and Brian Ford are Insurance Agents of NM and Registered Representatives of **Northwestern Mutual Investment Services, LLC** (NMIS) (securities), a subsidiary of NM, broker-dealer, registered investment adviser and member FINRA and SIPC.

Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ and CFP® (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.