

Schmidt Wealth Mgmt Group Raymond James

Bernice Murff

Asst. Vice President, Financial Advisor

3900 Westerre Parkway

Suite 300

Richmond, VA 23233

804-727-0065

bernice.murff@raymondjames.com

<http://raymondjames.com/schmidt/>

Planning for Travel

May 28, 2015

RAYMOND JAMES®

Planning for Travel

What is it?

Whether you want to take a dream trip around the world or simply want to visit your cousin in Indianapolis for a few days, you can benefit from some pretrip planning. If you plan far enough in advance of your departure, you'll usually get better rates on airline fares, lodging, and packages than if you wait until the last minute, particularly if your travel plans are flexible. If you're traveling to a foreign country, you may need time to obtain a passport or a visa or to research your itinerary. In addition, you'll reduce the inevitable stress that accompanies traveling by preparing yourself as thoroughly as possible.

Tip: *If you believe a great trip is a spontaneous one, look into last-minute travel deals offered by some airlines, travel agents, and travel websites. You usually can book them only a few days in advance of your departure, and your choice of destinations is limited. However, these last-minute trips are usually a bargain, because airlines, hotels, and tour groups are trying to sell their unreserved spaces.*

Financial considerations for travelers

Paying for your trip with cash vs. paying with a credit card

The main advantage to paying for your trip with cash is that you'll be less likely to overspend, because you can clearly see how much you're spending, and you won't have to pay your trip off little by little, long after your vacation has ended. Even if you pay for most of your travel arrangements with cash, make sure that you don't carry large amounts of cash with you on your trip. It's safer to take traveler's checks or use an ATM card.

One advantage to paying for a trip with a credit card is that you're better protected if something goes wrong. If you use a credit card to pay for refundable airline tickets, the airline must forward a credit to your credit card company within seven days of receiving your application for a refund. You can also use a credit card to guarantee a hotel reservation, which can be useful if you plan on arriving late. The hotel will hold your reservation until midnight instead of canceling it if you don't arrive by late afternoon or early evening. However, you must cancel your reservation if you decide not to come at all; otherwise, the hotel may bill your credit card for one night's stay and cancel the rest of your reservation, if any. If you pay for your trip with a credit card, you may also receive free travel insurance, such as travel assistance, baggage protection, and/or travel accident insurance.

Tip: *Even if you use a credit card to pay for much of your trip, you'll want to carry some cash with you. For instance, in Europe, credit cards are not as widely accepted as they are here, so you may find that some restaurants, stores, and hotels don't accept them at all. Even if you take the bulk of your money in traveler's checks, you should take with you a small amount of foreign currency for each country you plan on visiting. You may want to pay for a cab, a phone call, or a meal before you have a chance to find an open bank or exchange desk.*

Tip: *If you do decide to carry a large amount of money with you (including traveler's checks), be aware that if you leave or enter the United States with more than \$10,000, you must file a report with United States customs or else be subject to civil and criminal proceedings.*

Getting your money back when you can't travel

Before making travel arrangements, find out what will happen if you have to cancel your trip. In most cases, you'll pay some penalty if you cancel. For instance, if you purchase nonrefundable airline tickets (many tickets issued at a low fare are nonrefundable), you can't get a refund if you cancel your trip. But you can rebook your trip later (usually within one year), although you'll generally have to pay a fee to do so. If you have to cancel a group tour or cruise, expect to pay part or all of the cost of the trip, depending on how early you cancel. Since the cancellation policies vary widely, make sure you understand how and when you will be charged if you cancel. Some companies offer optional trip-cancellation insurance that costs approximately 5 to 7 percent of the cost of the trip. These policies reimburse you if you have paid for a trip and then can't go due to illness, natural disaster, or accident or for another reason out of your control (e.g., the tour operator went out of business, or you are called to serve on a jury).

Preparing a daily budget

Have you ever returned from a trip happy because you spent less than you anticipated? If you're like most travelers, the answer is no. You usually return from trips feeling overextended or even guilty because you spent more money than you wanted to. If you want to avoid this, plan a daily budget before you leave on your trip. This can mean simply deciding how much you want to spend each day, or it can mean breaking down how much you want to spend on certain items on your trip.

Budgeting is particularly important if you are traveling overseas. You may underestimate how much you will spend overseas because food, gas, and other items often cost more than you are used to paying in the United States. If you're on a group tour or have purchased an all-inclusive package, you may be better protected than someone traveling solo. However, you need to make sure you understand what your tour or package covers and what it does not. In addition, it's a good idea to use a guidebook as a reference or talk to a travel agent about how much you can expect to spend for necessary items overseas. This will ensure that you aren't skipping meals or running up huge debts on your credit card that you didn't anticipate.

Example(s): *Bridget took a tour of Europe, stopping in Germany, Czechoslovakia, and Denmark. She planned to spend \$25 a day on food, \$60 a night on lodging, and \$15 a day on other items, such as transportation. She found that she was easily able to stick to her budget in Czechoslovakia, where food, lodging, and other items were much less than she expected. In Germany, however, she had to look hard to find lodging for \$60 a night and was barely able to stay within her food budget. In Denmark, she was unable to find lodging for less than \$80 a night, and she couldn't eat for less than \$40 a day, unless she stuck to street vendor's fare. She was forced to pay for her hotel room with her credit card so that she would have enough money to eat three meals a day and travel around the country as she planned.*

Tip: *If you're traveling overseas and plan on bringing your cell phone, plan ahead. International service charges are often very high, and service is not always available, so check with your carrier before you leave home. Consider purchasing an international calling plan, or look into mobile Internet calling or mobile applications that can help you save money.*

Obtaining a passport or a visa

If you are traveling overseas, you'll need a passport, unless you are traveling between the United States and Mexico, Canada, and some Caribbean countries where other proof of U.S. citizenship may be adequate. Because it normally takes four weeks to receive a passport after you apply for one, you may want to apply for one when you begin contemplating your trip instead of waiting until the last minute. To apply for a passport for the first time, complete Form DS-11, Passport Application, and go to one of the U.S. post offices that accept passport applications or to a federal or state court or passport agency. Bring along proof of U.S. citizenship, such as a certified copy of your birth certificate, naturalization certificate, or a consular report of birth of a U.S. citizen if you were born overseas. You'll also need two recent identical photographs 2" by 2" (your head may take up most of the photograph, and the image size must be between 1" and 1 3/8") and proof of identity, such as a driver's license or government identification card. A passport is good for 10 years if obtained when you are 16 or older. For more information on passports, see the U.S. State Department website at www.state.gov.

Tip: *Before appearing in person to apply for a passport, contact the post office or agency you are going to for additional requirements. For instance, most accept personal checks, but some may not. To visit some countries, you'll also need a visa, which is an endorsement or stamp placed in your passport by a foreign government. The visa is for a specific purpose (e.g., tourism) and length of time (e.g., three months). Apply directly to the embassy or consulate of the country that you plan to visit. Depending on the country involved, this could be a lengthy process, so plan ahead.*

Will your health insurance travel with you?

If you travel within the United States

Before traveling within the United States, check your health insurance policy to make sure it covers you away from home and, if so, under what conditions. For instance, if you have an HMO or PPO plan whereby service from an out-of-network provider costs more, you may want to take with you a list of network physicians and hospitals in the area in which you are traveling in case you need treatment. At the very least, carry your insurance card with you. It usually has a phone number you can call to check on health-care providers, and you may need it if you have to visit a physician or hospital.

If you travel outside the United States

If you are traveling overseas, your health insurance may not cover you at all. For instance, Medicare does not provide coverage for medical treatment outside the United States, although some supplemental policies will. Even if your policy does cover you overseas, it may not provide the same benefits overseas as it does in the United States. Check the limitations of your policy

carefully, and call the claims department of your insurance company to ask. Some policies will cover personal travel but not business travel, while others cover you only if you stay overseas for a short period of time (e.g., one to six months). Some policies cover only emergency medical care, while others will reimburse you or the medical provider for only a percentage of the total cost of treatment.

If you find that your health insurance policy won't cover you adequately overseas, consider purchasing a short-term supplemental policy. These policies normally offer either accident or sickness coverage and usually pay, in part, the cost of medical evacuation back to the United States, which is something most basic health insurance policies won't cover. However, since coverage and terms vary from policy to policy, make sure you understand what's covered and what's not before purchasing a supplemental medical policy.

Tip: *When you're traveling, make sure that you carry your insurance card and a claim form in case an emergency arises. In addition, carry with you a letter from your physician explaining your medical condition and any prescription medication you are taking. If you take a prescription overseas, make sure you carry it in its original container to avoid trouble at customs.*

Who to contact if the unexpected happens while you're traveling

Your road and travel plan

Before traveling, look into the benefits offered by your road and travel plan, or consider joining one if you aren't already a member. If your car breaks down, your road and travel plan customer service representative will send a mechanic out to help you and pay the cost of towing the car, if necessary. In addition, road and travel plans usually offer other benefits, such as emergency cash, bail bonds, and trip planning/routing services. You may also be able to get a discount at certain hotels or cash refunds for booking airline, train, and hotel reservations through the road and travel plan's travel agency.

A travel assistance company

Travel assistance companies provide a variety of services to travelers. They can refer you to a doctor or lawyer, arrange for medical evacuation, provide emergency cash, and arrange for a translator, among other services. You may have access to a travel assistance company as a service through your credit card company. Check your credit card literature, or call your credit card company for information before you travel.

A U.S. consulate

If you arrive in a country where you feel unsafe traveling due to civil unrest, natural disaster, or political threat, you may want to register with the U.S. embassy or consulate and keep the consulate informed of your whereabouts. In addition, embassies and consulates can give you advice and help you if you are in trouble. For instance, if you become sick, the nearest U.S. consulate or embassy can help you find a doctor or help you get money from the United States to pay for your care. Consular officers can also contact friends and relatives in the United States in an emergency and give you travel safety information. However, they cannot provide certain services. For instance, they cannot cash checks or exchange money for you, and they cannot act as travel agents, lawyers, or interpreters. They can, however, help you find assistance with these matters.

Tips to ensure your safety while traveling

Ensure the safety of your money

When traveling, avoid carrying large amounts of cash. Your best bet is to carry a small amount of cash, along with traveler's checks and/or an automatic teller machine (ATM) card and/or a credit card. Traveler's checks are easily redeemable throughout the world and, if stolen, can be replaced. Within the United States, you can find ATMs in most cities and small towns. ATMs are available in other parts of the world as well. You can withdraw cash only when you need it, and if you are in a foreign country, the cash you withdraw will be in the currency of the country you are visiting. In addition, the exchange rate you get at an ATM will often be better than at a hotel or airport exchange desk.

Tip: *Take a credit card with you, but leave all unnecessary credit cards at home. That way, if your wallet is stolen, you have less to lose.*

Provide a friend or family member with a copy of your itinerary

In case an emergency arises at home or in the country or region you are visiting, make sure that you give a friend or family member a copy of your itinerary and an idea of how you can be reached. Perhaps you can arrange to call home once or twice a week to make sure that no emergency has arisen in your absence and to let someone back home know you're OK.

Make copies of your important documents

Before you go on your trip, copy all your important documents, including your driver's license, your medical card, your credit cards, and your passport. Give a copy to a friend at home in case your wallet or identification is stolen. Keep with you a copy of your passport (if any), your airline ticket number, and a log showing what traveler's check numbers you've used in case these get lost or stolen.

Contact the U.S. Department of State

The U.S. Department of State issues travel warnings and public announcements, recommending which countries Americans should avoid because of civil unrest, terrorist actions, or other dangerous conditions. The Department of State also publishes information sheets and pamphlets on many topics related to travel that can be useful to you when planning a state trip. To view many of these publications, contact the Department of State's website at www.state.gov. To hear information over the phone, call (888) 407-4747.

This information was developed by Broadridge, an independent third party. It is general in nature, is not a complete statement of all information necessary for making an investment decision, and is not a recommendation or a solicitation to buy or sell any security. Investments and strategies mentioned may not be suitable for all investors. Past performance may not be indicative of future results. Raymond James & Associates, Inc. member New York Stock Exchange/SIPC does not provide advice on tax, legal or mortgage issues. These matters should be discussed with an appropriate professional.

Schmidt Wealth Mgmt Group
Raymond James
Bernice Murff
Asst. Vice President, Financial
Advisor
3900 Westerre Parkway
Suite 300
Richmond, VA 23233
804-727-0065
bernice.murff@raymondjames.com
<http://raymondjames.com/schmidt/>