

NASH NASH BEAN & FORD, LLP *SINCE 1857*

NEWSLETTER

July 2017

Planning for a Stress-Free Vacation—Make Sure Your Estate Planning Documents Are Updated

Sad But True: Most families spend more time planning one vacation than time spent planning their life and death estate planning.

Each year thousands go on vacation and they've likely planned it to a tee – which hotel to stay at, which sights to see, and they've maybe even scouted the local restaurants that are a "must-try" on their trip. However, when it comes to planning, one of the most important, often-overlooked items is making sure your "what ifs" are in order. The last thing you want is to wake up in the middle of the night in your bungalow overlooking the ocean in Tahiti with crippling fears that you didn't get your affairs in order before frolicking on the beach. You may not be able to get rid of fear, but basic estate planning, even at the last minute, can help ease fears and make things run smoothly if the unthinkable happens. The basic estate plan includes the following four documents:

Revocable Living Trust
If you have setup a Revocable Living Trust, it will hold legal title to many of your assets. Subsequently, those assets do not go through the probate process upon your death, since the Trust owns title to your property, not you individually. You still have control because you are the Trustee.

Will

There are several functions of a Will, including the ability to designate someone to serve as guardian for your minor children. Without a Will, the court has the right to decide who will be the guardian of your children without input from you. Additionally, your Will distributes assets that are held in your name such as bank accounts and real estate.



Even if you have a Will, any assets owned by you must go through probate (unless covered by beneficiary designations, etc.). This is the process of transferring legal title from the person who died to the person who has the right to receive the property. This process can be costly and sometimes a major emotional battle.

General Durable Power of Attorney for Property

With this, you designate an "agent" who will make financial decisions in the event that you are unable to do so on your own. This person can be a spouse, family member, or friend. Without this document, nobody is authorized to make decisions on your behalf if you become incapacitated or go missing.

Health Care Durable Power of Attorney

This document designates an "agent" to make health care decisions if you are unable to do so on your own. With this, a person whom you trust will have the legal authority to make medical decisions on your behalf.

Even if you wait until the last minute, you may be able to complete many of the basic estate planning steps, leaving the rest until you return from your trip.

Consult with us to put your travel fears to rest. From there, you can sit back, relax, and enjoy the trip of your dreams. Bon voyage!



In this Issue

- Planning a Stress-Free Vacation
- What You Need To Know About Asset Protection
- Nash Nash Bean & Ford Firm Happenings
- New Firm Summer Hours
- Fun Top 10 Abe Lincoln Facts

What You Need to Know About Asset Protection



In today's litigious culture, you are probably already aware of the threat a lawsuit can pose to your assets. Whether the lawsuit is based on valid allegations or completely frivolous, and whether you win or lose, you will likely expend considerable resources defending the allegations. A lawsuit, however, is hardly the only potential threat to your assets. Consider the following ways in which your assets may be at risk:

Divorce – when you enter into a marriage you do so with the belief that you and your soon-to-be spouse will be together forever. If that doesn't come to pass, the marital assets will be divided. If you failed to protect the assets you brought into the marriage, you could lose them in the divorce.

Business debts and liabilities – people often believe that forming a corporation insulates them from any personal responsibility for the debts and liabilities of the business. In reality, that is not always the case. Creditors may be able to “pierce the corporate veil” and come after your personal assets.

Children (and other beneficiaries) – sometimes, the biggest threat to your assets are the people you leave them to after you pass. A spendthrift beneficiary could squander your hard-earned assets in a very short amount of time.

Long-term care – if you need long-term care during your “Golden Years” the cost of that care could rapidly deplete your assets if you failed to plan ahead given the fact that neither Medicare nor most private health insurance plans will cover LTC expenses. The average annual cost of LTC care nationally is over \$80,000.

Estate taxes – Estates are subject to federal gift and estate taxes at the rate of 40 percent. If the combined value of all lifetime gifts and assets owned at the time of your death exceeds the current lifetime exemption, your estate may lose a significant portion of its value to Uncle Sam if you failed to properly plan.

What Can You Do to Protect Your Assets?

The implementation of asset protection tools and strategies within your comprehensive estate plan are of equal importance. Some of these strategies are relatively simple to understand and implement, while others are complex concepts that require the assistance of a professional to integrate into your plan. The key to protecting your assets is knowing which strategy works best to protect against a specific threat. It may also be beneficial to learn more about some commonly used assets protection tools and strategies, such as:

Pre-nuptial agreement – previously, the mere mention of a pre-nuptial agreement would send a prospective bride/groom packing. However, with second (and subsequent) marriages now the norm, it is fairly common for future spouses to enter into a pre-nuptial agreement to ensure the assets they bring into a marriage remain available to pass down to pre-existing children. A word of warning though – make sure you do not commingle separate assets as this can turn them into marital assets despite the terms of a pre-nuptial agreement.

Transferring title – sometimes, protecting assets from creditors or lawsuits can be as simple as transferring the asset out of your name to a spouse or to adult children. Be careful that doing so does not amount to a fraudulent transfer.

Irrevocable trusts – once assets are transferred into an irrevocable trust they become trust property, meaning they are no longer owned by you. If you do not own the assets, no one else can get to them to satisfy debts or claims as long as the transfer into the trust was not fraudulent.

Forming the right type of business entity – although a true corporation does protect the shareholders (owners) from personal liability, forming a corporation doesn't always work as people anticipate, nor is it always the best choice of legal entity for business succession purposes. Sometimes other entities may provide a better fit, depending on your state law and your particular goals.

Medicaid planning/Long-term care – because Medicaid uses a five-year look-back period, transferring assets when you realize you need to qualify for Medicaid won't work. What will work is the inclusion of Medicaid planning strategies in your estate plan long before the need for Medicaid eligibility arises.

Lifetime transfer of wealth – planning for the impact of gift and estate taxes should begin long before your death. One strategy is to transfer as much wealth as possible during your life to diminish the value of your taxable estate at the time of your death. One tool to make use of is the yearly exclusion which allows every taxpayer to make tax-free gifts valued up to \$14,000 to an unlimited number of beneficiaries each year. Other strategies involve spending the value of your assets through decanting.

The best way to ensure your assets are protected, and remain available to provide for loved ones after you are gone, is to work closely with our office to incorporate an asset protection component into your comprehensive estate plan.

Nash Nash Bean & Ford Happenings



We Say Farewell to Linda Sturtewagen

On June 1, 2017, we celebrated the retirement of Linda, one of our Trust Administration, Probate Case Managers. Linda had been with the firm for nearly 20 years.

In retirement, Linda plans on spending time with family and traveling. We wish Linda the best as she will be missed in so many ways by our clients and staff.

Welcome Jennifer Coulter

Jennifer has joined the firm as one of our Trust Administration, Probate Case Managers. She has a background in communications and returns to the area after spending 14 years in Texas. Jennifer resides with her husband and daughter Emily.

Recipe of the Month

Brussels Sprout Mushroom Casserole

By Jackie Lauritzen

2 lbs. fresh Brussels sprouts -or- 1 20 oz package frozen Brussels sprouts

1 Tbs. olive oil

1 can condensed Cream of Mushroom with Roasted Garlic soup

1 soup can of milk

1/2 tsp table salt

1/4 tsp white pepper

1 tsp. chipotle pepper hot sauce -or- 1/2 tsp chile powder

1 package "french-fried" onions

Preparation:

Preheat your oven to 375° F.

If using fresh Brussels sprouts, wash them and trim off the bottoms, and remove the tough outer leaves. If using frozen sprouts, you can skip this step.

Heat the olive oil in a large skillet over medium-high heat. Place the still-wet (or frozen) sprouts in the hot pan. Sprinkle with a bit of additional salt, if desired. Cover the pan and lower the heat to medium, and pan-roast the sprouts for 10-15 minutes, stirring or shaking the pan occasionally during cooking. They will not be cooked all the way through, but should turn bright green and maybe even acquire some lovely brown "roasted" spots. Remove from heat.

In a 2-quart oven-safe casserole dish, combine the can of soup, can of milk, the seasonings, and one cup of the fried onions. Stir everything together until it is completely mixed.

Add the Brussels sprouts to the casserole dish and stir to combine thoroughly. Top with additional fried onions to your heart's content.

Bake for 30-35 minutes, uncovered. The casserole should be bubbly and the onions should be deeply golden brown. Allow to sit for a minimum of 5 minutes before serving.

Congratulations to JohnPatrick Brown

JohnPatrick graduated from University of Iowa College of Law in May 2017. While attending law school, he was the editor of the Corporate Law Journal and was part of the Iowa Hawkeye Football team staff. JohnPatrick is studying this summer for the Illinois Bar Exam and he would like to stay within the Quad City Area to practice law. JohnPatrick is the son of Rodney and Mary Ann Brown.



CONTINUING LEGAL EDUCATION

For Team NNBF

As a part of their Membership in the American Academy of Estate Planning Attorneys (AAEPA), all of our attorneys are required to complete 36 hours of continuing legal education.

- **James Nash, Mary Ann Brown & Ben Young** attended the Spring Summit May 4-7, hosted by the Academy of Estate Planning Attorneys in Indianapolis, Indiana. The topics covered were Planning for Special Needs Beneficiaries; Using Trust Protectors; Planning for Life's Lottery; and Planning Differences for First and Subsequent Marriages.
- **Robert Nash** attended the 60th Annual Estate Planning Short Course hosted by the Illinois Institute for Legal Education.
- **Mary Ann Brown & Ben Young** participated in the Special Needs Fairness Act: How Does it Impact Planning hosted by the Ultimate Estate Planner.
- **Ben Young** participated in the Estate Planning for Education Expenses hosted by WealthCounsel.

Please Note Our New Summer Hours:

Geneseo Office:

Monday—Thursday 9:00 a.m. to 5:00 p.m.

Friday 9:00 a.m. to Noon

Moline Office:

Monday—Thursday 9:00 a.m. to 5:00 p.m.

Friday CLOSED

These hours will be in effect until September 1, 2017.

Contact Us

Give us a call for more information about estate planning services.

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Visit us on the web at
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If your address or phone number has changed, please call our office to update your contact information.

New Email Address?

If you recently had to change your email address due to a provider discontinuing service, please let us know so you continue to receive email from us.

Referrals

If you have friends or family members who could benefit from the estate planning process, please refer them to our firm. Don't worry, we won't bother them. We will simply send them an invitation to one of our estate planning seminars. If you would like to refer a friend or family member, fill out the enclosed referral card or email their contact information to info@nashbeanford.com.

Fun Top 10 Abraham Lincoln Facts

1. Abe Lincoln was the only president to have a patent: Lincoln invented a device to free steamboats that ran aground.
2. Abe Lincoln practiced law without a degree. Lincoln had about 18 months of formal schooling.
3. Abe Lincoln wanted women to have the right vote in 1836. The future president was a suffragist before it became fashionable.
4. Abe Lincoln was a big animal lover, but he wouldn't hunt or fish. If he were alive today, Lincoln would be running an animal shelter.
5. Abe Lincoln really was a wrestler. Lincoln was documented as taking part in wrestling bouts. We don't think he wore a mask or had a manager.
6. Abe Lincoln lost in his first bid for a presidential ticket. The unknown Lincoln was an unsuccessful vice presidential candidate in 1856 at the Republican convention.
7. Abe Lincoln never belonged to an organized church. Lincoln read the Bible daily, but he never joined an organized church in his lifetime.
8. Abe Lincoln didn't drink, smoke, or chew. Lincoln was a simple man of tastes, and he never drank in the White House.
9. Abe Lincoln didn't have a middle name. Lincoln went through his life with two names.
10. Abe Lincoln hated being called Abe. He preferred being called by his last name.

Speaker Connection

Does your organization need a speaker? We regularly work with professional organizations, churches, non-profit organizations, clubs, and other groups to educate their clients and members on the principles of Estate, Tax, and Business Planning as well as immediate and long-term charitable giving options. We also speak to senior citizen organizations, assisted-living facilities, and elder organizations on topics such as Medicare planning, care giving, and retirement planning.

Please call our office at 309.944.2188, 309.762.9368 or 800.644.5345 to arrange for a speaker at your next meeting.