

# Edwards Group LLC

*David Edwards and Joshua Becker, Counselors-at-Law*

## An Ounce of Prevention:

### *5 Estate Issues You and Your Family Should Plan For*



Oftentimes, people don't think of estate planning or the issues related to it until it is too late. As attorneys who deal only with estate planning issues, Dave and Joshua have seen their fair share of problems that could have been prevented by planning ahead.

In this article we'll take advantage of their unique perspective and explore the most common problems they encounter every day – problems that can be avoided by just planning ahead.

#### **Assets? What assets?**

You might be surprised at how often those left behind have no idea about life insurance, stocks, bank accounts, etc. Discovering these "hidden" assets takes time, money, patience and a lot of detective work. And despite any dreams you once had of being Joe Friday, the last thing you want to do while mourning the loss of a loved one is play detective.

#### **Attorney? What attorney?**

Oftentimes those left behind have no idea if an attorney is needed, or if an attorney has already been

consulted. Does looking in the phone book and calling the first attorney whose ad catches your fancy seem like the best way to handle your loved one's estate after they're gone? Many of our clients' families meet us before they need us, ensuring that a trusting relationship is already in place and decreasing stress and anxiety when the time comes.

#### **Equal? What's equal?**

Many people plan on just having their children split things equally upon their death. It seems like a beautifully simple and fair way to handle things, but when emotions run high and money or cherished possessions are at stake, things seldom go down the way you would expect. We often see conflicts between family members who have different ideas about how to handle things – conflicts that could have been avoided with more in-depth preparation. We also know that ideals like "equal" put some adult kids at a disadvantage. (See our article, "Two Sisters, An Annuity and Nursing Home Costs" on page 3.)

#### **Taxes? What taxes?**

Did you know your lack of planning could *cost* your family money? Without proper planning, they could end up paying extra income tax on IRAs or annuities (or pay them earlier than necessary). Dave and Joshua

## From Dave's Desk

So far in 2011, I have taken 3 trips to conferences out of state. Each time I've been gone from home for 3-6 days. Meanwhile back on the ranch, Michelle was at home with 4-year-old Bailey and 6-month-old Cole. Suddenly, I wasn't there to get up early with the kids (I'm an early riser), help with pajamas, baths or deal with a temper tantrum. Even with two parents at home these kids wear us out! As the only parent at home during those trips, Michelle deserves a medal! Fortunately, my trips are done for a while, so I'm here to help now at home.



What burdens will you leave behind on your loved ones when you pass away? Will your planning help ease that stress, or will your lack of planning add to it?

see this quite often. To avoid this, you should get specific advice regarding your tax deferred accounts, both now and after death.

#### **Issues? What issues?**

There are a lot of unique circumstances that arise when dealing with minors or even young adult children. Are *(continued on pg. 2)*

5 ESTATE ISSUES YOU AND YOUR FAMILY SHOULD PLAN FOR (CONTINUED)



your kids prepared to responsibly handle what you're leaving them? Have you distributed the wealth in such a way that the younger

children will have adequate care for the proper amount of time? As experienced estate planning attorneys, Dave and Joshua have seen the ramifications of families not being fully prepared. They are experienced in thinking through every issue your family needs to consider.

What's the best case scenario for your family after you're gone? To have no idea what or where your

assets are? To not know who or where your attorney is? To experience great stress and distress in the middle of their grief? Surely not. Planning ahead is not being morbid or pessimistic. It is protecting and caring for those you love.

Find out more by visiting our website at or call Lynn at (217) 726-9200 to schedule your free consultation today.

EFFECTIVE TOOLS FOR ESTATE PLANNING: DYNASTY MEMBERSHIP

Edwards Group has many useful tools in its so-called toolbox to help you effectively plan. One of these tools is our Dynasty Membership. Much like protecting other big investments in your life, like changing the oil in your car or replacing the roof on your house, estate plans work best when they are a part of a regular maintenance schedule. People lead very busy lives and we are specialists in estate planning -- it's all we do! So that is why we developed the Dynasty program as a way to keep our clients' plans up to date and ready for use when the time comes.

**WHAT DOES THE PLAN DO?**

- Clients are reminded about important planning issues.
- Kids or family members meet the attorney and law firm staff *before* a crisis happens.
- Our firm maintains a current list of assets owned and how they are titled or the beneficiaries named.
- We stay up to date with the constantly changing tax laws, as well as keeping our clients' plans current.
- Upon a death or disability, the family knows who to call immediately.

**HOW DOES THE PLAN WORK?**

Members in the program pay us a monthly or

annual retainer fee to take responsibility for updating their plan. On an annual planning cycle, we offer group educational events (where clients often bring their family members), reminders to review their plan, and Asset Review Reports for clients to update. Membership also includes any phone or email questions members may have about *any* legal issue, not just estate planning. Every other year, we also update all the legal documents affiliated with the estate plan, like wills and trusts. Any amendments to their plan, such as a change of trustee, are done anytime the client requests, at no additional charge. We also provide ongoing assistance with coordinating new assets and integrating them into the existing plan. New assets like buying a new car, purchasing real estate or an annuity can impact an estate plan.

**HOW MUCH DOES IT COST?**

Our memberships start at less than what you pay for your cable TV -- about \$40 per month (with a discount for annual payment). We feel like that is a very reasonable price for true peace of mind. Give us a call and get started with a free consultation today or keep your eye out on our website for the new Dynasty Membership pages that will be coming soon.



TWO SISTERS, AN ANNUITY AND  
NURSING HOME COSTS:  
WHY MEDICAID PLANNING MATTERS

by Joshua Becker

Here's a real life story I recently encountered in my office.

Mom did not have a lot, but she owned her home, had a steady retirement income, and had purchased two annuities, each in the amount of \$50,000. Each daughter was named the beneficiary of "their" annuity and would therefore receive the \$50,000 from the annuity when Mom passed away.

The older daughter fell on hard times and asked her mother if she could cash-in the \$50,000 annuity. Mom agreed and the older daughter received her \$50,000 "inheritance."

The younger daughter, not needing her money, left her annuity in place as Mom intended. Unfortunately, several years later Mom had a stroke and entered a nursing home. She privately paid for the nursing home costs until nothing was left but the home and the younger daughter's \$50,000 annuity. But the annuity wasn't truly the daughter's. Mom was listed as the owner because she was still alive and would therefore have to spend the younger daughter's inheritance before she could apply for Medicaid.



Of course this was very upsetting to the younger daughter. She was the one who hadn't requested her money early. She was the one following Mom's original plan for the money to pass upon her death. And yet, she was the one being punished financially by her Mom's stay in the nursing home.

I sat with the sisters for several hours listening to their story and devising a plan. In the end, we were able to develop a strategy that would allow an immediate transfer of the house to the daughter (thereby equalizing the daughters' inheritances) while qualifying Mom for Medicaid several months later. It was a very satisfying result for me and certainly for the sisters.

If you or someone you know is facing a similar situation, we would love to help! Check out one of our Long-Term Care Essentials Workshops listed on the back page of this newsletter, or give us a call today!

DAVE AND JOSHUA – LOGGING MILES TO HELP MAKE YOUR PLAN THE BEST



Always striving to be the best at what they do, Dave and Joshua are constantly learning how to help you plan better. Since the New Year, they have been all over the country staying up to date on cutting edge planning ideas:

- January 10-14, Dave joined 2,800 others in Orlando for the 45<sup>th</sup> annual Heckerling Institute, sometimes called the "Super Bowl of Estate Planning."
- January 19-21, Joshua attended a Wealth Counsel event in Las Vegas called, "Drafting Revocable Living Trusts."
- February 10-11, Dave went to Denver for the "Business Exit Planning Bootcamp" through the Business Enterprise Institute.
- March 9-11, Dave flew *back* to Denver for a charitable planning seminar through the National Network of Estate Planning Attorneys, advanced planning group.

With the constantly changing economy and legal environment, you can count on us to continue spending a large portion of time each year learning how to improve planning strategies for your family.

## Real Life Challenges:

*How will your family pay for a nursing home?*

Many families worry about how much a nursing home will cost. Did you know there are ways to prepare ahead of time? Did you know that even if you don't prepare ahead of time, there are still options? We enjoy helping people everyday with this very issue.

Recently, a family came to us whose mother was facing a nursing home. Joshua and Laura worked with the family to help them navigate the difficult decisions and maximize the assets retained by the father who was not entering the nursing home. They then helped the mother apply to have nursing home costs paid for by the state through the Medicaid program.



Here's what the client's daughter had to say:

*"Thank you so VERY much for your hard work, time & patience in helping to prepare my mom's application. I don't know how I ever would have managed to get through the process without you."*

## *FREE Long Term Care Essentials Workshops with Joshua:*

### **Learn about:**

- How to **plan for nursing home care**
- How to **protect your assets** and income
- **3 big myths of Medicaid qualification**

**Thursday, May 12 @ 6:30 p.m.**

**Tuesday, May 17 @ 9:30 a.m.**

**Thursday, May 19 @ 1:30 p.m.**

RSVP by calling (217) 726-9200  
or email Lynn at  
lynn@edwardsgroupllc.com.

**How are you keeping your plan up to date? Read about our Dynasty Membership inside!**

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