

What's Going On At Nash Nash Bean & Ford

Status of the Federal Estate Tax Debate

It was fully expected that before 2011 arrived, Congress would pass laws to "fix" the estate tax, BUT THEY DID NOT. While that may sound good on the surface, that same law also says that in 2011...estates over \$1 million can be taxed as high as 55%! This will likely impact you and your family!

NO ONE knows what Congress will do regarding the Federal Estate Tax. Please be assured that we, your Nash Nash Bean & Ford Team, will keep you informed as soon as the new law is passed. Please do not hesitate to call us if you have any questions.

This Month's Firm Focus

Choose Your Executor Wisely

Despite the best laid plans, most of us will leave behind matters that need attending to after we are gone. But if we've planned wisely, we will have our hand-picked representative standing by to manage our final affairs just as we would want them to be.

Depending on the complexity of your estate, the process can be time consuming. It's very important to have someone you trust to carry out all the required tasks. They will first need to gather all the deceased's important papers, including the Will (and Trust) and any life insurance contracts or retirement plan documents. *It is also important that the representative call our office to arrange for an appointment to begin the Probate or Trust Administration process.*

The following are some things your representative should know about managing your estate. He/She should not change title to any assets or take life insurance or annuity benefits without consulting with our office. Changing title can have unexpected income, estate and property tax consequences. And, depending on the health and financial situation of the life insurance beneficiary, it may be beneficial to disclaim the life insurance benefit.

We recently had to assist a client who was poorly advised by the financial company to take an annuity payment, which resulted in the loss of government benefits. **Before taking any annuity or insurance benefits, call our office or schedule an appointment to discuss possible adverse consequences or strategies to maximize benefits.**

The local Social Security and Medicare offices, as well as the Veterans Administration (if the deceased was in the military) need to be notified of the death.

The Will needs to be filed within 30 days of the decedent's death, and a notice to creditors must be published in the newspaper of the death. This notice cuts short creditors' opportunity to make a claim against the assets of the decedent. If a timely notice is not published, creditors who might have been cut short in the first year by a notice would still be able to make a claim against the assets of the decedent long after they otherwise would have been barred.

The executor/trustee must take an inventory of everything in the estate: the value of all stocks, bonds, cars, real estate and insurance policies, as well as assembling liability information, such as mortgages, taxes and credit card bills. Keep all receipts. It's **very important** that someone is keeping good bookkeeping records.

An estate checking account will need to be opened to pay bills. An appraisal will need to be done on any real estate owned by the decedent. Having the decedent's mail forwarded to the executor's address will help to avoid overlooking any assets or creditors.

With investments, executors need not turn a big profit, but they should try to avoid significant losses. They have a duty to the beneficiaries to make sure that they are prudently investing and taking care of the estate in the most cost-effective way. An investment analysis is recommended to review whether the assets are prudently invested.

It's a good idea to safeguard the decedent's home and car, as thieves often read death notices. So

change the locks and consider installing a security system.

When you agree to become an executor or trustee, request a copy of the Will and Trust, and find out where all important documents are kept. Ask for the names of key advisers. Because heirs often squabble over possessions, it's important to get a list that allocates items among beneficiaries. To prevent tensions, keep beneficiaries informed of the process and progress, addressing any concerns as they arise.

Before an estate can be settled, any income or estate taxes must be paid. Therefore, it's never a good idea to fully distribute the estate assets to beneficiaries. If the tax bill comes due, and there's not enough money in the estate account, it may be difficult to retrieve monies already paid out, and the executor/trustee could be personally liable.

It's a good idea to periodically review your estate plan to determine if the person you've chosen as your representative is still willing and able, and the person you want managing your final affairs.

Nash Nash Bean & Ford Happenings

Attorney Tyler J. Lutz joins Nash Nash Bean & Ford: Mr. Lutz graduated from the University of Iowa College of Law, Iowa City, Iowa in May 2009. He received a Bachelor of Science in Finance from Iowa State University, Ames, Iowa. Mr. Lutz is licensed to practice in the State of Illinois and is a member of the Illinois State and Henry County Bar Associations. Tyler is a native of Biggsville, Illinois, and is engaged to marry Tiffany Peugh in November. Tyler and Tiffany plan to reside in Geneseo.

Dr. Carilyn Nash Wieland recognized at Mayo Clinic 35th Annual Residents and Fellows Awards Banquet: Bob and Ginny Nash attended the June 7th reception at the Mayo Foundation House in Rochester, Minnesota along with their daughter Dr. Cari Wieland and her husband, Dr. Mark Wieland. Cari joins her husband Mark as a member of the Mayo Clinic staff. They reside in Rochester with their two children, Benjamin and Martin. Cari previously received the Roy S. Roger III Award from the Department of Dermatology in 2008 and the Paul O'Leary Award in 2009.

Mary Bean – Director of Creighton University Encuentro Dominicano Program: Mary (daughter of John and Vicky Bean) closed her apartment after 2½ years in Buenos Aires, Argentina, packed her belongings and headed to Santiago, Dominican Republic. Mary accepted the job of Director of the Creighton University Encuentro Dominicano program, which provides a service-based semester study experience for Creighton University students. She will teach a six credit hour course on the history, sociology and government of the Dominican Republic, and will organize service projects for the students while they are in the Dominican Republic.

Mary is a 2003 graduate of Creighton University, Omaha Nebraska, and participated in this program during her second year at the University. She recently completed her Master's Degree in International Relations from the Universidad San Salvadore, Buenos Aires, Argentina as a Rotary International World Peace Fellowship.

It's a Boy! Tyler Edwin Johnson was born June 13th weighing 7 lbs. 3 oz. and measuring 21½" long. He is the first child of Brad and Lisa Johnson, and grandson of Jim and Judi Nash.

Honor Graduates: JohnPatrick Brown, son of Mary Ann and Rod Brown graduated valedictorian of his class. JP, as he is known by family and friends, is a National Merit Scholar, and a Byrd Scholarship Recipient. He is attending the University of Iowa where he will be enrolled in the NAASE program. This is an early entrance program specifically designed for children younger than the average college student (JP is 16).

He will be mentored throughout the entire college experience, paired up with a professor in his field of interest, and given first choice in classes throughout his stay at Iowa. They will monitor his success, impose a curfew, and restrict certain things like no fraternities the first year on campus. He has completed his orientation and is one semester into his freshman year due to his AP scores.

Brandon Oleson, son of Jackie Lauritzen, our firm's funding and business entity paralegal, graduated from Geneseo High School with honors from the National Honors and Technical Honors Societies. Brandon graduated from the Naval Training Base in Great Lakes, Illinois on September 2nd after completing eight weeks of

training. He was then transferred to the Defense Language Institute in Monterey, California, where after two years of training will be a Cryptologic Technicians Interpretive or CTI. CTIs gather highly classified intelligence information using foreign language skills for the Navy's top-level decision makers.

Wedding Bells! Kirstyn Ince and John Cernovich were married on August 7th at St. Mary's Church in Kewanee, with a reception following at the Flemish American Club. Kirstyn is the daughter of Rick and Jean Marks (Jean is one of the firm's Real Estate Paralegals).

Home Care Contracts-Buyer Be Aware

We recently were retained by two separate clients, who became entangled in disputes with home care agencies by personally hiring the caretaker, who was caring for their elderly parent. It is important to be aware that the home care contract often contains a provision preventing the hiring of the agency's caretaker during and for a period following the term of the contract.

To prevent any potential problems, it is advisable to contact our office to review the contract prior to signing.

Social Security Calculator Available to Delayed Retirees

Social Security's Retirement Estimator is now available for people who have signed up for Medicare but have not yet signed up for Social Security because they are delaying retirement. The popular calculator allows you to project what your monthly Social Security benefit will be based on your actual work record. Previously, "Medicare only" beneficiaries could not use the estimator and had to contact a Social Security office to get an estimate of their retirement benefits.

While the calculator requires inputting personal information like your Social Security number, date of birth and mother's maiden name, it is tied to your actual Social Security earnings record, so you don't need to manually input years of earnings records. Once your information is input, you can compare different retirement options and see how additional work might affect your benefits. Because more and

more people are delaying retirement, the Social Security Administration decided to expand the calculator to those individuals. You cannot use the calculator if you do not have enough Social Security credits at this time to qualify for benefits or you are already receiving Social Security benefits.

A sad story that wouldn't have had to happen.

A recent story we became aware of was that of a wife who was forced to divorce her husband after 45 years of marriage. Loretta's (not her name) husband was recently diagnosed with dementia. When she became unable to care for him at home, Loretta moved her husband into a nursing home and began paying \$6,000 a month. After she had gone through \$60,000, her husband's doctor suggested that she find "a really good lawyer."

It was suggested to Loretta by the lawyer she retained that, as a last resort, she could terminate her marriage. This would preserve her remaining assets and allow her husband to quickly qualify for Medicaid coverage of his nursing home care. "I was shocked and angry, said Loretta, but I did what I had to do to survive."

This is an extreme case, but one that could have been avoided. It's often assumed that Medicare is going to take care of everything. That's just not the case. Couples who plan in advance with the help of a qualified elder law attorney shouldn't have to face the drastic choice Loretta had to face.

In Illinois, there are currently special provisions in the Medicaid law that, in many cases, can avoid the need to take the drastic step of filing for divorce. Currently, Illinois Medicaid laws allow a spouse to refuse to provide financial information on a Medicaid application for a spouse in the nursing home. This can provide many options for qualification for Medicaid without the need for filing for divorce. It is very important that when dealing with these types of issues to consult with an elder law attorney who can advise you regarding your options in planning for long term care expenses.

Curt Ford Leads Alzheimer's Panel Article Discussion

The Alzheimer's Association held a special education program for people concerned about Alzheimer's and other dementia disorders. Events were held at the VFW in Aledo on August 11th from 9:00 a.m. to 2:30 p.m. and on August 18th from 9:00 a.m. to 2:30 p.m. at the Geneseo Senior Citizen Center.

The program included an overview of Alzheimer's and how to recognize the signs and treatments for the disease. An engaging presentation called *Loving Miss Lilly* illustrated the best ways to live and communicate with someone who has Alzheimer's. And, Curt Ford led a question and answer session on the legal and financial challenges and solutions regarding caring for someone with Alzheimer's.

Salem Lutheran Church Seminar

Clients, Don and Claudette Swensson, invited our firm to present an Estate Planning Seminar to members of the Salem Lutheran Church in Moline. Approximately 25 members attended the event. Don and Claudette were gracious hosts - Claudette made some homemade cookies, which were such a hit, that John Bean requested she share her recipes in our newsletter.

We regularly work with professionals, churches, non-profit organizations, clubs and other organizations to help educate their clients and members on the principles of Estate, Tax and Business Planning. We also speak to elder organizations, such as Alzheimer's Association, Assisted Living Facilities and Senior Citizen Organizations on Medicaid Planning, Caregiving and Retirement Planning topics. If you would like us to provide information at your next meeting, please contact our office at 309-944-2188, 309-762-9368 or 1-800-644-5345 and ask for Julie Swanson.

For additional information, you can also log onto our website at www.nashbeanford.com, and under "Our Firm" click on Speaker Connection to view all the topics available.

Recipes:

Cracker Cookies (From Claudette Swensson)

1 pkg of Hy-Vee Rich & Crisp Crackers (use 1 pkg per pan of cookies)

Break crackers apart; put crackers close together

Melt 1 stick butter; 1 stick margarine; add ½ cup sugar; boil for 2 minutes, stirring all the time

Add 1½ cups pecan pieces to mixture and spoon over crackers; bake at 350° for 12 minutes

Immediately cool on wire racks - it's helpful to use spatula and knife to get crackers on racks

Apricot Bars (From Claudette Swensson)

1 cup butter or margarine

1 cup sugar

2 cups flour

1½ cups coconut

1 cup pecan nuts

Cream together in order given. Set aside ½ cup dough, pack the rest in ungreased 11 x 17 jelly roll pan. Bake at 350° for 15 minutes.

Spread one 18 oz. jar of apricot jam on top and sprinkle with reserved mixture. Return to oven for 15 – 20 minutes or until bubbly. Remove and cool. Cut into squares.

2010 Client Appreciation Events

Our presentation this year reviewed the impact of Congress's "do nothing" agenda on estate taxes. We discussed what happens with your trust upon the death or disability of a Trustor; what we look at in a trust review and how up-to-date documents can be customized to fit changing circumstances, both personally and in the law; and reviewed asset protection strategies to protect your business and personal assets. We examined what Elder Law is and the tools available to protect your assets if you need to apply for Medicaid or need long term care, either at home or in an assisted living or nursing home facility. Curt and Mary Ann shared how we are able to obtain Veterans benefits that provide needed care for Veteran's and their spouses.

We enjoyed spending time with all who were able to attend. Thank you to all our wonderful clients for the confidence you have placed in our firm and we look forward to serving you in the years ahead!