

WHAT'S GOING ON AT NASH NASH BEAN & FORD

Nash Nash Bean & Ford Firm Focus



Dr. Ron Hanson

Attorneys and Staff at Nash Nash Bean & Ford are preparing for a special "Family Farm & Small Business Succession Planning for the Next Generation" presentation. We have invited Dr. Ron Hanson from the

University of Nebraska to be our guest speaker. Dr. Hanson will discuss the challenges, emotional issues and steps to implement ownership to the next generation. Both Jim & Bob have attended his presentation and feel he is an excellent resource for farm and small business succession planning. **Please see the enclosed invitation for details and how to register. YOU WON'T WANT TO MISS IT! SEATING IS LIMITED! CALL TO RESERVE YOUR SEATS TODAY!**

Planning *before* you travel

The summer travel season is upon us and you may think you're set: you may have hotels booked and adventures planned, but what about your Powers of Attorney and Health Care Documents?

Just like you wouldn't take a long trip without first servicing your car and confirming it is road worthy, you should make sure you are covered for any accidental or health care emergencies while you are away from home.

As part of your pre-trip checklist, we recommend you:

- Create or update a Living Will and a Health Care Power of Attorney to allow your agent to make medical decisions on your behalf if you become incapacitated.
- Create or update a Durable Power of Attorney so a trusted relative or friend can act on your behalf if you become incapacitated.
- Confirm your will or trust reflects your current wishes and that any financial or life changes are taken into account.
- Create or update a document listing bank accounts, investment accounts, insurance policies and any bills you pay online – including PINS and passwords.

- Create or update your Living Trust to minimize tax issues and ensure your wishes are carried out exactly as you wish.

To set up these documents, we recommend you plan several weeks before your trip. You may schedule an appointment to complete or review these documents by calling our office at (309) 944-2188 or (800) 644-5345 or online at www.nashbeanford.com.

Life Insurance: Understanding its Many Benefits

Few things in life are more devastating than watching a loved one struggle with a long-term or terminal illness. It can be one of the most helpless feelings ever experienced. While that's overwhelming enough, there are medical bills and other costs which must be paid. Fortunately, life insurance policies are one option that can ease the financial burdens and eliminate unwanted distractions.

There are several ways life insurance policies can help.

For some, taking a "**cash value**" loan on their permanent policy (also referred to as whole life, variable life or universal life policies) is an option. Depending on how long you've had the policy, you likely have a portion of it that has become liquid, which would allow you to take out a loan. This could be a significant amount of money depending on how long you've had the policy. Remember, this is a loan, so there are interest rates, although competitive. In some cases, the loan may not be due until after the policy owner's death, but instead, would be deducted from the insurance policy payout. Any remaining funds would then be paid to the owner's beneficiaries.

Another option is taking the "**surrender value**" of a permanent policy. Instead of taking a loan on the policy, instead many will accept a sum of money, the "surrender value," and cancel the policy. Again, the amount is determined on how long you have had the policy and other factors. Also, remember that the face value of the policy could be substantially higher than the surrender value.

There are policies with provisions allowing for a portion of the face value to be paid if the insured becomes terminally ill. These provisions are known as "**living benefits**" or "**accelerated death benefits**." This will require a statement from the patient's physician stating the patient is expected to

pass away within a short span, usually 24 months. This may be part of the policy you have and you should speak with your insurance provider. Note, too, these are generally tax-free.

Finally, you may wish to use a life insurance policy as part of a “**viatical settlement**” option. A policy holder may wish to sell their policy to a third party for a portion of the face value of that policy. This option might have challenges as well and it’s important to understand what those challenges might mean. This is sometimes an option, even for those policies that do not accrue cash value. Be sure to “conduct due diligence,” i.e. research fully and speak with your CPA before making this decision since it could have repercussions for your collective financial situation.

There are an array of challenges associated with terminal illness. For one, the emotional and financial weight of the grief is simply inexplicable. Anything we can do to ease those overwhelming emotions and financial burdens is a good thing. This article helps to bring awareness to some of the available options. The key to planning for the future is always to prepare for the unknown.

Our firm is a member of the American Academy of Estate Planning Attorneys, for more information or to attend an upcoming seminar, please give our office a call at (309) 944-2188 or (800) 644-5345.

Your Independence, Rising Medical Costs and Retirement

Many of us believe we have the “planning for the future” space covered. We’ve worked hard and saved. Our homes are paid off by the time we go into retirement and as far as we’re concerned, life now consists of living well in the way we define. In a perfect world, that’s true. In reality, there are a few things which can quickly annihilate our sense of independence. Planning is key, but knowing precisely what you need to plan for is crucial.

It’s not uncommon to hear stories like this: A woman shares a tale about her closest friend whose husband had passed away a few years earlier. She tells of her friend’s loss and grief and the many things she’d begun to do as she learned to live her life without her husband by her side. Her friend was able to travel, visit old friends and of course, visit her children and grandchildren. During one of her trips, she became

quite ill. After spending an extended period of time in the hospital, her family was told that she would need long-term care in a nursing home. The doctors said it wouldn’t be a permanent scenario, but this type of long-term care was crucial for a full recovery.

The Harsh Reality

The belief was that Medicare would cover these expenses. However, the family soon learned that not only did Medicare not cover any of her nursing home expenses past 100 days, but there were also considerable copays after the first 20 days. Further, she and her family learned that the costs of the nursing home would come to more than \$8,000 each month. Up until then, the woman was sure all of their planning had sufficiently covered their bases in such a way that they would never be reliant on their children. Instead, this medical emergency cost her the entire life savings and before long, she had no assets, which meant there would be nothing to leave her children and grandchildren.

This woman was now worried because she and her own husband had followed a similar path for their after-retirement planning. She especially wondered what she could do to prevent this same fate of her friend.

Medicaid Income Only Trust

When applying for Medicaid, the applicant must not have more than a certain amount of assets. In most states that limit is \$2,000. In addition, there are certain assets which are exempt and not countable resources, such as the primary residence, up to limits set by the state, but in no event less than \$500,000 of equity. If you put money into a Medicaid Income Only Trust, those assets are not countable resources. However, you have to plan in advance because a transfer within five years of when you apply for Medicaid can incur quite substantial penalties. The Medicaid Income Only Trust is an irrevocable trust where the person transferring the money into the trust no longer has rights to the principal, but has rights to the income. The principal is retained in the trust and administered for the beneficiaries you determined, typically your children, on the terms you set up. The income is paid to you. If you need nursing home care, the income may go toward medical expenses, but the principal is safe from the medical expenses.

In addition, had the woman's friend incorporated a Medicaid Income Only Trust, she and her family wouldn't have faced a steep \$8,000 monthly nursing home cost. Even though most of her income would have gone towards her medical care, the remaining balance would have been picked up by Medicaid.

This cautionary tale is meant to convey that with just a bit more planning, you too can better preserve your resources while planning for the unexpected and not allowing your family to shoulder the financial burdens. Discuss your options with a qualified estate planning or elder law attorney can help you plan to preserve your financial independence in the best way for you.

Nash Nash Bean & Ford Happenings

Jim Nash, Bob Nash & Curt Ford named Fellow Members of the American Academy of Estate Planning Attorneys

The Academy reserves its *Fellow* designation for its most distinguished Members. Not only do these Members have extraordinary experience in trust, estate, and tax planning matters, they're also recognized among their peers as having outstanding ethics and character.

To be designated a Fellow, a Member must have met the basic 36-hour annual CLE Requirement for each of the preceding five years. In addition, a Fellow must demonstrate substantial practical experience by handling:

- 30 tax planning matters;
- 50 estate and incapacity plans;
- 40 trust and administration procedures;
- 40 completed non-trust transfers of decedents' assets; and
- 20 litigated matters, contested hearings, or court proceedings

Fellows also undergo peer review by three legal professionals. Each of these professionals must have extensive estate planning or elder law experience and must be familiar with the legal expertise and ethical character of the applicant.

An Academy Fellowship designation is valid for 5 years, after which a Member may apply for re-designation.

Jim Nash and wife Judi were blessed to spend some time visiting daughter Kelly, husband Damian and baby Madeline in Australia in April.



Bob Nash attended the Academy of Estate Planning Attorneys Spring Summit in Louisville, KY along with Funding Paralegal Jackie Lauritzen, Bookkeeper and Technology Coordinator Kelli Walker,

Trust Administration/Probate Case Manager Diana Wallace and Legal Assistant Sheila Bloom. While there, they also were able to attend the opening weekend of the Kentucky Derby at Churchill Downs!

Congratulations Graduate!

Hope Daly, daughter of Dawn Daly our Closing Paralegal and Assistant to Bob Nash, graduated from Geneseo High School. Hope is helping us at the firm during the summer and will be attending Illinois State University in the fall.

Blue Jeans for Charity If you've been in our offices on a Friday, you may have noticed that we've been going casual for a cause. We designate the fourth Friday of every month for "Blue Jeans for Charity" day, in which staff and attorneys can pay \$5 to wear jeans to benefit a charity suggested by the staff. The firm matches funds raised by the blue-jean wearing staff. In 2015, we have supported Backpack Blessings, American Heart Association, Braveheart Children's Advocacy Center, Alzheimer's Association, Sol's Legacy Ministries and Geneseo Humane Society. Thank you to our staff and firm for supporting these great charities!

Continuing Legal Education Efforts of Our Attorneys

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

Curt Ford and Mary Ann Brown attended the 2015 Mega Meeting in Medinah, IL provided by Wealth Counsel.

Mary Ann Brown participated in the VA Proposal to Limit Long-Term Care Benefits provided by the National Academy of Elder Law Attorneys.

Bob Nash and Ben Young attended the 58th Annual Estate Planning Short Course in Champaign, IL provided by Illinois Institute for Continuing Legal Education.

Bob Nash along with Trust Administration/Probate Case Managers Diana Wallace and Erin Brooks attended the Probate Process from Start to Finish in Naperville, IL provided by National Business Institute.

Recipe

Mississippi Caviar (Unknown Source)

1 (15 oz.) can black-eye peas, drained
1 (15 oz.) can black beans, drained
1 (15 oz.) can whole kernel corn, drained
2 large tomatoes, seeded and diced
1 medium onion, diced
1 medium green bell pepper, diced
3 T. minced garlic
½ bunch cilantro, chopped
1 jalapeno pepper, seeded and finely chopped
Juice of 1 lime
1 tsp. Italian seasoning
1 (7oz.) package dry Italian dressing mix
½ cup extra-virgin olive oil
½ cup vinegar

Combine first 11 ingredients (peas through seasonings) in a large bowl. Stir well. Combine dressing mix, oil and vinegar. Pour over pea mixture. Stir well. Chill at least 2 hours. Serve with tortilla chips. Makes about 8 cups.

Speaker's Connection

Does your organization need a program? We regularly work with professionals, churches, non-profit organizations, clubs and other groups to help educate their clients and members on the principles of Estate, Tax and Business Planning along with both immediate and long-term Charitable Giving options. We also speak to elder organizations, such as Alzheimer's Associations, assisted living facilities and senior citizen organizations on Medicaid planning, care giving and retirement planning topics.

If you would like us to speak at your next meeting, contact our office at 309-944-2188, 309-762-9368 or 1-800-644-5345.

Referrals

We hope that after having completed your estate planning, you also feel it was a valuable process. If you know family or friends that you feel could also benefit from that process, we encourage you to refer them to our firm. Don't worry, we won't bother them. We would simply like to send them a personal invitation to one of our free estate planning seminars in their area. You may find that they may have some of the same reasons to complete their estate planning as you did!

If you would like to refer a family member or friend, simply fill out the enclosed referral form and return it to our office. You may also email their name and contact information to info@nashbeanford.com.

For up-to-the-Minute News

We are happy to offer you:

- **eNewsletters** filled with timely and informative articles about estate planning and related topics.
- **Blog posts** covering a variety of estate planning, farm planning, business planning and elder law topics.
- **Facebook and Google+** filled with community and nonprofit events, health tips, farm and family information and general news about the Nash Nash Bean & Ford family.

It's easy to join any of these options by simply visiting our website, www.nashbeanford.com, and following the links in the right hand column. It's that simple! Please tell your friends!

Have you gotten rid of your home land line phone and use a cell phone only now?

Have you moved or changed your mailing address?

Please contact our office at (309) 944-2188 or (800) 644-5345 or email us at info@nashbeanford.com so we can update your information in your file.