

# Financial *focus*

## In This Issue



### Just Begin

-Ken Robinson, JD, CFP® and  
Britta Koepf, CFP®



### Practical Tips for an Unprecedented Time

-Laura I. Rotter, CFA, MBA, CFP®



### Let Your Family Know Your Final Wishes

- Kelly L. Adams, CFP®, EA, RLP®



### Write Your Personal Legacy Letter for Family & Friends

-Kathleen M. Rehl, Ph.D., CFP®, CeFT®  
Emeritus

## Check your beneficiary designations

It's surprising how often beneficiaries aren't set up the way the account owner thinks they are. And they're crucial, because what is in your will does not affect your beneficiary designations.

Beneficiary designations appear on lots of different kinds of documents and accounts. Check all of the following to make sure there are no surprises:

- IRAs
- Retirement accounts such as 401(k)s
- Pensions
- Home titles (which may have transfer-on-death designations)
- Bank accounts (joint ownership or pay-on-death designations)
- Vehicle titles (in states that allow a transfer-on-death beneficiary)
- Investment accounts (joint ownership or transfer-on-death designations)

## Get at least one of your estate planning documents done

If you don't have a will, your state's intestate succession law determines how your property would be distributed at your passing. There is a good chance that the law doesn't do what you think it does, or what you want it to do. That means you need a will.

If you're not sure which document to prepare first, start with your will. Every adult needs one, but it should be an especially high priority for you if:

- You have minor children (to provide for their guardianship)
- You are estranged from anyone in your family (to make sure your assets go only to those you intend)
- Your family situation makes it unclear where you would want your assets to go (for example, because you're single, have no children, or are part of a blended family)
- You want property to go to someone other than immediate family members (such as charities)
- You've been divorced
- You are dissatisfied with your state's intestate succession law

It may be more important right now for you to have a durable power of attorney, so that someone can administer your financial transactions if you're not able to. If you can, you should do both the will and the durable power of attorney, but if you only have the time or money for one, just do it—it's better than nothing.

## Just Begin

By Ken Robinson, JD, CFP® and  
Britta Koepf, CFP®  
Rocky River, OH

For many people, estate planning, and all the questions it involves, feels like "something I ought to do some time." With the spread of the COVID-19 pandemic, now might be a prudent time to get your estate planning documents in order.

The many facets of estate planning can seem overwhelming. It can help just to take a step in the right direction. Choose *just one* item to update and get going on it right now.

### Update health care advance directives

In some states, advance directives may require more than one document, for example, a living will, a separate health care power of attorney, and a HIPAA authorization. Check with a local attorney to see what your state requires.

Think through whether or not you want outside interventions and perhaps ask your doctor what the options entail and whether there are particular considerations for your situation.

# Practical Tips for an Unprecedented Time

Laura I Rotter, CFA, MBA, CFP®  
White Plains, NY

I think it's safe to say that 2020 is not turning out like any of us expected or hoped.

In Tolkien's *The Lord of the Rings*, Frodo (the unlikely hero) must lead a small group to overcome an extraordinary threat to the world (sound familiar?). When he despairs, Gandalf (the wise wizard) provides a valuable lesson:

"I wish it need not have happened in my time," said Frodo. "So do I," said Gandalf, "and so do all who live to see such times. But that is not for them to decide. All we have to decide is what to do with the time that is given us."

I feel like Frodo some days, wishing I didn't live in such times. Do you? But here we are. All we can do is decide what to do with what we can control.

**We are in uncharted waters and it's increasingly clear that this is an economic downturn that could rival the Great Recession in its severity.**

I don't say this to be alarmist, but to share the information I'm using to plan for my clients and help you use it effectively. Coronavirus-related legislation (like the CARES Act) will help blunt the worst effects. And I think it's likely that further aid will follow once policymakers see the depth and breadth of the economic damage.

For practical advice you can use (and share) right now:

**Listen to the podcast GOING SOLO: Building Your Own Successful Business after a Late Career Job Loss** for inspiration if you have recently lost your job. Listen to host David Shriner-Cahn and me discuss strategies for building a life of purpose at <https://smashingtheplateau.com/goingsolo/episode-036/>.

**More layoffs and furloughs are coming.** If you think you might lose your job or face a reduction in income in your family, act now to plan for it. Revisit your emergency funds and cash flow. The CARES Act adds some additional options for enhanced unemployment and leave benefits.

**RMDs have been waived for 2020.** If you don't need the cash this year, consider skipping the distribution or turning it into a Roth conversion. If you already took some or all of your 2020 RMD after February 1, you may be able to return it to your account as a rollover through July 15. There's some fine print to this, so please reach out to your advisor if you'd like guidance.

**Tax and IRA contribution deadlines have been extended to July 15.** The IRS extended the 2019 tax filing deadline. The extension also covers 2019 IRA contributions. **Very important:** if you make a last-minute 2019 contribution on your own, *make sure the check or deposit is clearly marked 2019 to avoid an administrative error.*



**Stimulus checks will start arriving soon.** If you had direct deposit information on your last tax filing, the IRS should send your check to your account. If you didn't (or the account is closed), the check would go to the address the IRS has on file for you.

**Small business owners should act fast on loans.** The Paycheck Protection Program is offering forgivable, collateral-free loans through June 30, but the money is going quickly. It's smart to get your paperwork together and file quickly.

**Some student loans can be deferred.** Under the CARES Act, no payments are due on federally held loans through September 30, and no interest will accrue. Private student loans (or those held by a lender other than the Department of Education) are not currently eligible. **Very important:** I'm seeing mixed information on whether payments will pause automatically, so check in with your loan servicer.

**You could get more from Medicare.** Medicare has made some important updates to its coverage due to the crisis. Telehealth benefits are expanded. Many plans have relaxed their definition of "in-network" providers. Part D recipients can now request 90-day supplies of medication to help avoid trips to the pharmacy.

**We can't control what happens next, but we can control some things: our choices, our behavior, and our mindset.**

I'm no Gandalf, but I hope these tips lighten your load in these troubling times. I don't know what the coming weeks and months will bring, but I do know this: we're in it together. And we'll get through it together. If you'd like help acting on any of the tips above, or just want to talk through some strategic moves, please reach out to your financial advisor.

*Attribution: adapted from a Snappy Kraken article*



# Let Your Family Know Your Final Wishes

By Kelly L. Adams, CFP®, EA, RLP®  
Wixom, MI

The coronavirus has brought to the forefront of many people's minds the question of what happens if they become incapacitated or die. Who takes care of their financial matters, makes medical decisions, or worse, has the task of distributing their assets to their heirs?

You have already put the core of your estate plan in order: wills (perhaps a trust) and powers of attorney have been signed, beneficiaries are who you want them to be, and assets are properly titled. But what about the time immediately before your passing and the few weeks that follow? In the midst of grief is not the time to have your personal representative and family members forced to make final decisions about, frankly, anything.

Death and dying is a difficult topic to think about, let alone plan for. It's not really about you; it's your family, your friends, your loved ones you want to think about. As challenging as it might be to force yourself to sit down and do the task, your family will be grateful to receive a packet of information that will help guide them through the process of your death. Your efforts now will make the process easier for everyone later. Making this information known is a crucial component of your comprehensive estate plan.

What sort of information should you include? You might consider including information about your background and lineage, perhaps addresses where you have lived. You want to let your family know what estate plan documents you have and where the originals are located. Consider listing your employment history, your supervisors' names and contact information, what clubs you belong to and who to contact, information if you were in the military, and a list of hobbies and interests as well. Who would you want to know about your death? Make sure your family has that information and that they know the nature of your connections.

You will want to include information about your attorney, financial planner, tax preparer, and other professionals, with their contact information. These professionals will be able to help your family navigate the uncertainty that follows a loss and will provide a clear head and guidance to help your family make wise decisions. Including a list of your accounts, both assets and liabilities, as well as benefits you are eligible for, will help streamline the process so your heirs can quickly receive any funds to which they are entitled.

Is your family aware of your final wishes? Do they know if you want to be buried and where? Do you want to be cremated, donate organs, or have other desires? Have you pre-paid for a cemetery plot or services?

What type of funeral and service do you want to have, where do you want it held, and what should be included? Or do you not want any funeral or service? Do you want a viewing? What clothing do you want to wear? Who should speak, or who should not? What information do you want in your obituary, and where would you like it published? Who is going to take your pets?

Providing information like this will alleviate much stress for your family during an extraordinarily difficult time. Make the effort now to have these difficult discussions with your family and your professionals. To avoid arguments among family later, document your wishes in writing. It is hard to argue with black and white. Ask your ACP planner to assist you in documenting this information; they will be happy to help.

Hopefully death is very far in the future for you. Although thinking about your final wishes may be difficult, taking the time to organize your thoughts now will be a huge gift to your family later.

## Just Begin (Continued from page 1)

Whatever you do, *don't try to do these documents without a lawyer's expertise and guidance.* We've seen "estate planning" documents that are completely unenforceable because someone didn't take the time or spend the money to do it right. You don't want to do these documents on your own for the same reason you don't want to do your own dentistry—if you think you know what you're doing, and you're mistaken, it's often painful and expensive to correct.

### Don't rely only on your documents

Some estate planning issues require tough decisions, such as who you want as guardians for your minor children or who would be willing to make medical decisions or carry out end-of-life wishes for you. Such decisions can lead to hard conversations, but it's best to discuss your preferences with the people you want to name to handle these tasks. You want to make your wishes clear to the people who are important to you.

Creating estate planning documents is not easy, and it can be tempting to put off the effort. It's important, however, to have adequate documents in place. They don't have to be perfect—documents that come close to what you want are better than no documents at all. Just begin, and get it done.





# Write Your Personal Legacy Letter for Family & Friends

By Kathleen M. Rehl, Ph.D., CFP®, CeFT® Emeritus  
St. Petersburg, FL

Your estate documents may be in place already. Good. Your legal will and possibly a trust take care of passing on financial assets and material “stuff”. But your far more precious treasures include your values, hopes, dreams, memories, and stories.

## My Mother’s Legacy Letter

Shortly before my Mom passed, she wrote her Legacy Letter to be read during her memorial service. It’s filled with Mother’s wisdom, gratitude, and deep love. Her letter began:

*“To you, my family, who are reading my Legacy Letter, please know how important you are to me and how much I love you. Life has been such a fascinating and interesting adventure with you.”*

Mom’s two-page letter identified what was important to her, including:

*Appreciate the importance of balance among family, work, spiritual, and physical aspects of life. It’s easy to let things get out of balance. Body, mind, and spirit—these three aspects of life are all essential. Remember to take time to play and “smell the roses” along the way. Always remember that family, friends, and faith are what truly matter in life. Focus on what you value, not just on the value of what you have.*

A couple of times a year, I reread Mom’s Legacy Letter. Her wise advice still speaks to me. How many times do you think I’ve reread her legal will since she passed years ago? Never.

## You Can Give Lasting True Treasures

The money and possessions you leave family and others may quickly be spent or used up. But just as your fingerprints are unique, so is your Legacy LifePrint™. I created a wonderful way to identify and communicate what makes you unique as your lasting legacy of love for family and friends. With permission, I adapted ideas from Barry K. Baines, M.D., author of *Ethical Wills: Putting Your Values on Paper*. I added my ideas to create the Legacy LifePrint™ Letters & Stories approach. It’s an easy way for you to share your values, hopes, dreams, memories, and more.

## My Legacy Letter and Legacy Stories

After my late husband died several years ago, I also wrote my Legacy Letter. I’ve updated it several times since. Recently I started writing about important themes in my life. The result will be a little memoir booklet with about 15 short stories based on these themes.

Here’s the opening paragraph of my “Never Say Never” story, detailing humorous adventures with online dating and how I met my new husband:

*Who signs up for online dating, not having dated for decades? And what woman who doesn’t understand how modern computer dating works still tries to meet a potential cyber match in her 60s? That was me more than a dozen years ago.*

I’m having great fun with these story themes. I expect to complete my memoir booklet by the year’s end—ready for family holiday giving.

## Enjoy Writing Your Own Legacy Letters and Stories

1. Download the free booklet, *Legacy LifePrint™ Letters & Stories* at <https://kathleenrehl.com/legacy.html>
2. Skim pages and select those that resonate with you. Topics include balance in life, learning, family and friends, honesty, humor, giving, good, mistakes, spirituality, lessons, reflections, hopes, love, forgiveness, and others.
3. Put checkmarks beside statements that fit you. Edit phrases if you prefer, adding or crossing out words. Write additional statements if you wish.
4. Write your thoughts in the extra space on each page, using your unique way of saying things.
5. Combine sentences on a separate page to be your Legacy Letter for loved ones and friends. (You may want to write different versions for various individuals.)
6. Share your Legacy Letter soon with family and friends or provide instructions for sharing after you’ve passed. Keep a copy with other estate documents.
7. Consider writing a longer Legacy piece. Write two to three pages about each topic in your letter. Combine these and add pictures if available. Your memoir can be a cherished gift for family and friends forever.

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