



# TRUST AND ESTATE PLANNING NEWS

The Good News, Bad News, and Important Information  
From Your Friends At Unruh, Turner, Burke & Frees

FALL 2014

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### **The Supreme Court Rules: Inherited IRA's Are Not Protected Now How Do You Build Protection For Your Heirs When You Leave Them An IRA Or 401(K) |** By Douglas L. Kaune, JD

In our Summer 2014 Client Newsletter, I summarized the recent legal attacks on Inherited IRAs. Historically, it was assumed that, like an IRA you create for yourself, an Inherited IRA would protect your heirs from bankruptcy, creditors, and others who seek to gain access to the underlying funds. However, cases dealing with a creditor's right to seek payment from a debtor's Inherited IRA were heard in multiple Federal Courts, but with different results. Some Courts upheld the protected nature of the Inherited IRA and others allowed creditors to claim them. Because of the conflicting results, the U.S. Supreme Court stepped in to resolve the issue once and for all.



In a unanimous opinion on June 12, 2014, the U.S. Supreme Court ruled in Clark v. Rameker that a bankruptcy creditor could expect to obtain payment from an Inherited IRA and that assets contained in the Inherited IRA were not retirement funds that were exempt from the debtor's bankruptcy estate.

This means that more clients than ever before will consider putting IRA proceeds into a trust for their heirs rather than naming children, grandchildren and others directly.

**If you're already interested in creating a trust or a trust in your will to protect your heirs SEE ENCLOSED INSERT then call 610-933-8069 to make an appointment with one of our lawyers.**

For the full story on this case, AND what to do about it, [click here](http://bit.ly/InheritedIRAs) or type in <http://bit.ly/InheritedIRAs>.

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**Is it finally time to get a living trust and not just a will? See The Insert!**

### **The First Things An Executor Needs To Do |** By Whitney O'Reilly, JD

There's no denying that the death of a loved one brings about sadness, life changes, and difficult times. One of the difficulties that a Beneficiary or Executor will face after losing a loved one is understanding probate and the estate administration process. And, of course this all comes at the worst possible time. According to Pennsylvania law, certain things have to take place when a loved one dies. This is known in the case of a will as the probate process, or the estate or trust administration process. Some of the basic steps of this process include:



- An Executor must find the Last Will and any Living Trusts. By having a plan in place ahead of time, you will know where these documents are in order to avoid an even more difficult situation.
- An Executor or Trustee can be liable for any mistakes, so make sure you call an estate planning and estate administration attorney for help navigating the probate or administration process.
- Bring all important documents to your meeting with an attorney, such as the will, trust, bank account statements, retirement accounts, life insurance policies, bills and the previous tax returns. This speeds up the process.

***Continued on Page 2.***

## Executor (Cont from Page 1)

- The Executor has to go to the Register of Wills in the county in which your loved one resided to probate the estate. A Trustee does not have to do this step if ALL of the assets were previously moved into the trust.
- An Executor has to advertise the estate and send notices to the beneficiaries. Trustees do not but MAY want to.
- You will need to file the Pennsylvania Inheritance Tax return within nine months after your loved one's death; however, you will get a discount if you file within three months. You may also need to file a Federal Estate Tax return.
- An Executor or Trustee will distribute the assets after a court accounting or an informal family settlement agreement is signed.

We put together a brief video to explain some of the basic steps involved in the Pennsylvania probate process, either [click here](#) or type in <http://bit.ly/EA101>

### Important Dates

Sept 21 – International Day of Peace



Sept 23 – Fall Begins in Northern Hemisphere



Oct 1 – World Vegetarian Day  
Learn more about going vegetarian:

<http://bit.ly/1qDqotD>



Oct 22 – National Nut Day – see our “Nut Day” article!

Dec 21 – Winter Solstice



**Facts about National Nut Day!** No one really knows the origin of this day. Was it intended to celebrate all the nutty people and crazy behavior in the world? Or, was it a day dedicated to celebrating the edible 'nut' so many people eat?

Here are fun facts about peanuts: Did you know they are actually legumes, a member of the *Pea* family, not really nuts. There are about 540 peanuts in a 12 ounce jar of peanut butter. Nuts do not contain any cholesterol. In fact, nuts contain oleic acid which helps to lower LDL or 'bad cholesterol' and increases HDL or 'good cholesterol' levels in the blood. Walnuts are considered one of the healthiest nuts. Walnuts contain the most omega-3 fatty acids. Walnuts also contain antioxidants that promote immune system health.

**“Nutty” Things to Do on National Nut Day...** Eat nuts for lunch, dinner or as a snack. Learn more about the health benefits of nuts and do an internet search for 'health benefits of nuts'. Try some of the lesser known nut butters: Almond Butter, Pecan Butter, Cashew and Hazel nut butter. Cook or bake something that uses nuts.

**Manage Conflicts With Your Children And/Or Grandchildren: Choose Your Strategy With Care** | Do you and your children often get into conflicts that end up with one person being the winner and the other the loser? Occasional disputes between parents and children are normal. You ultimately have to choose from four different styles of resolution:

- Assert your parental authority. This will allow you to end the argument in your favor, but it's not always the best choice. Your child will probably resent this tactic and see you as an unfair autocrat. There are times, of course, when you feel your child could be in danger and you have the experience to know better than he or she does. In these cases, asserting your authority is important—when your child refuses to wear his or her seat belt, for example.
- Give in to your child's wishes. Facing the fact that you're sometimes wrong is perfectly appropriate. Unfair rules undermine your authority. Also, remember to pick your battles carefully, especially when something is trivial to you but really important to your child—like what shoes your child wants to wear to a party.
- Compromise. This tactic can be wise as long as the compromise makes sense and leaves parent and child feeling satisfied. However, compromise is not always appropriate: For instance, if your child doesn't want to do his or her homework, striking a deal where he or she only does half the homework won't be useful for either of you.
- Joint problem solving. When you and your child disagree about a rule, consider working together to come up with a new rule that is satisfactory to both of you. This may take more work, but it will consume less energy than repeating the same fight every night.

## Update on UTBF Social Events

The weather was perfect for an outdoor dinner at Dave Frees' home in August. The Indian food was enjoyed by all who attended!



If you missed this dinner, there is a once in a lifetime opportunity to dine with Steve Forbes in New York City! Call Lisa at 610-933-8069 to check availability and let us know you are interested.



Tucker "enjoying" the event!

## Client Spotlight: Sam and Melba Matthews of Milky Way Farm and Chester Springs Creamery.

This month Lisa Snyder interviewed Melba Matthews, a long time client of the firm. The mission of the Milk Way Farm (owned by the Matthews family for four generations) is to educate children (and their families) of the importance of farms in their community, and to demonstrate that healthy animals produce good food. They do this through their various programs and events held at the farm in Chester Springs.

**Lisa:** Can you tell us more about the events and programs that are available to the community?

**Melba:** Every weekend in October, Milky Way Farms is open, you can head for the fields and find your pumpkin. It's now a tradition for grandparents, parents and children to meet at the farm, walk to the fields, pick their pumpkins, ride on the hay wagon, walk the maze, and buy ice cream (at the Chester Springs Creamery – Favorite fall flavors include pumpkin and cinnamon apple!

**Lisa:** What is a robotic milking system and why do you have one?

**Melba:** Milky Way Farm is committed to dairy farming into the next century and our decision to lease a robotic milking system was a true venture into dairy technology. The cows come in from the pasture, walk through the gates into the commitment pen to the robot for milking and eating grain. We think the cows find the consistency of the robotic milker a comfort—they can be milked day or night, up to 6 times if they choose. Yes, the cows can make the choice when to be milked! As a result, production has increased, and the milk is as delicious as ever.



**Lisa:** Do you sell anything besides ice cream at the Chester Springs Creamery?

**Melba:** Yes, we have produce, meat and eggs available – whatever is in season. We look forward to welcoming you to Milky Way Farm so you can experience the many ways we're trying to preserve an American tradition.

**Health Advice - 2 of the Best Tips You Will Ever Get** | Copy your cat and perform **stretching exercises when you get out of bed first thing in the morning**. These boost digestion and circulation and can also ease back pain. To get some ideas, type <http://huff.to/V1bavf> (or click if you are reading this on line), or search "beginner morning yoga" for videos to find one that suits your style!

Next, you should **never skip breakfast**. Research has proven that consuming a proper breakfast can help enormously with weight loss as people who tend to skip breakfast often gain weight. Eat a healthy breakfast that includes fruit juice or fresh fruit, yogurt or low-fat milk, a boiled egg, a breakfast cereal that is high in fiber, and whole-wheat toast.

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**Tell Them How to Get Ahead: Wise Advice To The Next Generation** | Whether they want to reach the CEO's office or just earn a raise next year, most of our heirs want to get ahead at work. Tell them they don't have to flatter the boss or give up every hope of a personal life. Share this advice for enhancing their careers. They will thank you!

- Ask for "stretch" assignments. Instead of doing the same tasks day after day and hoping for a change, find a project that will stretch your talents and present it to your boss. Even if he or she turns you down, you'll establish yourself as someone who's looking for challenges and willing to take a risk.
- Become an expert. Identify a crucial area of your organization and industry and study up until you know more than anyone else. Don't flaunt your knowledge, but share ideas and articles and answer questions as they come up. When managers see your grasp of the facts (and your ability to master the details) their interest in your potential will rise.
- Put out fires. Don't just point out problems—come to your boss with creative and timely solutions. Keep an eye out for situations that might lead to difficulties in the future, and head them off before they explode. Managers like to see employees taking initiative (although you should probably explain your ideas before making major changes). You'll get a reputation for putting your organization first, and managers will notice.



Offices of UTBF Attorneys  
David M. Frees, III,  
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Whitney O'Reilly

If you need help, please call  
888-605-6482 and mention  
you read the "UTBF  
Newsletter" for your client  
discount. We are happy to  
assist you with your estate  
planning.

## OK. This is Funny!

An elderly golfer showed up at the course one morning without a partner. The pro agreed to play 18 holes with him, and asked him what kind of a player he was.

"Not too bad, I guess," the old duffer answered. "But I have a little trouble getting out of sand traps." They played a close game, and the older gentleman managed to avoid sand traps until they reached the 18<sup>th</sup> hole. His shot to the green dropped into the trap, and he'd have to sink his ball into the hole with just one shot to win the game.

The pro watched as the elderly golfer carefully stepped into the trap, looked the situation over, and swung his club. To the pro's amazement, the ball went right into the cup. "Great shot!" the pro said. "I thought you said you have trouble getting out of sand traps?"

"I do. Could you give me a hand, please?"