



Trust and Estate Planning News and Updates

The Good News, Updates, and Important Information
From Your Friends at **Unruh, Turner, Burke & Frees.**

utbf.com/trust-estate |

paestateplanners.com |

paelderlawsolutions.com

Have You (or a Loved One) Made One or More of...The Ten Worst Estate Planning Mistakes? Learn What They Are & How to Solve & Avoid Them.

By David M. Frees, III, JD | [Download this article as a PDF \(click here\)](#)



Contrary to popular belief, estate plans are not just for the rich and famous. And any one, married or widowed, with children or grandchildren should consider doing estate planning since avoiding even the most basic mistakes can mean major benefits for your heirs and can result in your wishes actually being carried out. And without a current and updated plan – designed for you and your specific circumstances, your estate can be diminished by fees and expenses and your real goals may never be achieved.

The reality is that even if you did planning as recently as 2012, the laws have changed so much that you could massively benefit from having an updated estate plan in place. And, if you have no real plan or you have a much older plan (such as a plan without the right trusts) then the harm to heirs can be substantial.

So read on to discover three of the ten of the most common and devastating estate planning mistakes, how to avoid them, and how to reap the benefits for both you and your family. The full report is available from our office or can be downloaded at your convenience ([click here](#)). **For a hard copy call 610-933-8069, or go to <http://bit.ly/TenWorstMistakes> to read and print it.**

Mistake #2: Not updating your will trust or estate plan. There are many changes that can take place within a family or business structure, such as births, deaths, divorces, new business structures or ventures, changes in estate, tax, and inheritance tax laws and new property acquisitions. Therefore, to ensure the assets you leave behind are given to those you intend, it is wise to perform a periodic update of your will when these changes take place.

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Stay Healthy and Happy – Science For Each Meal of the Day.

Breakfast: Tip 1 - Eating breakfast boosts dopamine, a chemical in your brain that is linked to feelings of reward. Breakfast helps fight off fat and sugar cravings, making you less susceptible to eating junk food later.

Tip 2 – Grab some coffee to help your liver! A study by the National Cancer Institute showed subjects who drank coffee had fewer abnormal liver enzymes than non-coffee drinkers.

Lunch: Tip 1 – Brown bag your lunch and lower your BMI. When you eat out you lose control of the portion size, calories and fat in your meals. Eating six or more takeout meals a week leads to weight gain and higher cholesterol.

Tip 2 – Skip the sandwich when you do eat or order out because the USDA has found they contain more calories and sodium than other choices.

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Spring 2015

Secrets and Info Inside This Issue

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IMPORTANT DATES

3.14 Pi Day: 3.1415926535..

How many digits of Pi do you know of this infinite series?!

3.17 St Patty's Day



It's said that everyone is Irish today!

4.7 No Housework Day

No explanation needed!

4.15 Tax Day



5.8 VE Day

5.25 Memorial Day



Are You Concerned About Nursing Home Costs For Yourself Or A Loved One? | Douglas L. Kaune, JD



Introducing "Elder Law News and Updates", an e-newsletter delivered directly to your inbox.

With the start of 2015 we bring you the launch of the Unruh, Turner, Burke & Frees Elder Law Solutions E-Newsletter. This is our newest way to keep our clients and friends up to date on Elder Law and Estate Planning news. The newsletter will help remind you of just how important Elder Law and Estate Planning is for you and your loved ones.

It will provide planning tips for protecting family assets from nursing care expenses and taxes as well as tips for protecting the health and well being of family and friends now and in the future.

If you would like to get updates on protecting loved ones and their estates, please go to our website, www.PaElderLawSolutions.com and click on the "Subscribe to Newsletter" link and enter your email address, or call Lisa at 610-933-8069 or email her: lsnyder@utbf.com.

Science (Continued from Page 1).

Dinner: Tip 1 – Step away from that soda! According to UCSF, it speeds up cell aging as much as smoking. Soda promotes obesity and shortens the length of your telomeres – DNA components related to lifespan. If you are drinking more than 20 oz of soda daily, you add 4.6 years to your biological age.

Tip 2 – British Journal of Nutrition reports that energy drinks make you antsy and interrupt your sleep. Their sports performance enhancement is minor (3 – 7%), and is it worth it when you are now dealing with insomnia and nervousness?

Tip 3 – Don't fend off the blues with "comfort food" University of Minnesota reports that students shown sad film clips were fed either comfort foods or foods they really liked but didn't consider "comforting". Everyone felt better once a few minutes had passed, no matter what they had eaten.

Important Facebook "Legacy" Update | Do you know what happens to your Facebook profile when you die? Facebook recently announced that you now have the option to designate a "legacy contact" the right to log into your profile after your death, make a final post, approve friend requests, update the profile picture and cover photo and memorialize the page (announce the memorial service or share a special message).

Your legacy contact could also have permission to download an archive of all your photos, posts and profile information. The legacy contact will not be able to log in as you or see your private messages.

Alternatively, you can let Facebook know if you'd prefer to have your account permanently deleted after your death. You can find the Legacy Contact option in your Facebook Security Settings. We hope you "like" this tip!





If you have minor children or grandchildren you may want to consider giving gifts to them during your lifetime to minimize tax liability for your estate and to protect your inheritance for future generations.

Lifetime gifting has some advantages and disadvantages. One advantage is that if one of your children or grandchildren has an immediate need, it would benefit them directly. On the other hand, it may cause an unanticipated dependency or a disincentive to work.

Another advantage is that if you give away your assets now the appreciation can be out of your estate when you pass away and thereby minimize estate tax consequences. On the other hand, you may need the assets you gave away later on in your lifetime.

Also, when you pass away your assets get a step up in basis to the value at your date of death which can minimize taxes for your heirs. But you lose this “step up” by giving assets away during your lifetime. Remember, if you die within 3 years of making a gift it comes back into your estate for federal estate tax purposes (IRC 2035), and it is also includable for PA Inheritance tax purposes if you die within one year of the gift.

The chart below outlines the different ways you can make lifetime gifts to your young family members without using up your unified credit exemption of \$5.43 million. Please [click here](#) for a video to learn more about the annual exclusion or go to <http://bit.ly/1EAmNZo>.

Annual Exclusion	Lifetime Education and Medical Expenses	529 Account	UTMA Account	Crummey Trust & Irrevocable Trusts
\$14, 000.00 gift tax free & appreciation out of your estate	Any qualifying education but must be paid directly to school	Tax exempt savings plan for college	bank account to transfer annual exclusion (and any other contributions)	Vehicle to transfer annual exclusion (and any other contributions)
no control over assets once given	Any qualifying medical expense	State specific	inexpensive to set up and you can choose 1 custodian must be for benefit of child	expensive to set up trust/ administer trust/ crummy letters/ choose trustees
May need assets later in life; No step up in basis at death	can only be used for present need while you are still alive	Can only be used for qualifying education	Ends at age 18 or 21 (state specific); Testamentary transfer age 25	Unlimited age limit; Any distribution scheme
Only one gift per beneficiary but unlimited beneficiaries		Can be transferred to another family beneficiary	Can have only 1 beneficiary	Unlimited beneficiaries

Trying to break bad habits? At the beginning of a new year, we all make resolutions, and some of us are more successful than others at keeping them. If you are having trouble sticking to your new year’s resolution, try this helpful hint. **Take your bad habit and pair it with a good habit.** As an example, if you “binge watch” too much tv, try limiting yourself to watching tv only when you are on your treadmill, or exercise during commercials. If you vowed to eat more fruits and veggies, try adding a “snack & break” ritual to your day – take a short walk or read a book and have some cut fruits or veggies to munch on during that time. If you decided you weren’t going to eat a certain food, instead of thinking, “I am never going to eat donuts”, think about allowing yourself only to eat a donut after you’ve completed a long walk, hike or run or maybe a big project at work. This strategy could make breaking your bad habit AND keeping your resolutions a rewarding experience!

UTBF in the Community | David Frees spoke on the topic of “Enhanced Communication Techniques” to the Chester County Estate Planning Council Community Past President’s dinner on February 19th.

He also took the opportunity to present Karen Simmons, President and CEO of Chester County Community Foundation with a check from UTBF.



Pictured from left – our own David Frees, Denise Fox, Tammy Myers, Laurel Paul, Lisa Snyder and CCCF President Karen Simmons

A Quick Q&A on a National Scam!

Q: I got a call from the IRS that claimed I owe them money and that they will be coming to arrest me. What should I do? (This is an actual question we received recently).

A: According to Jeffrey S. Berdahl, a CPA writing for PICPA (the Pennsylvania Institute for Certified Public Accountants www.picpa.org): “This is a scam. **The IRS does not call anybody to inform them that they owe money.** If there was a problem with your tax return, you would be notified directly via mail through the U.S. Postal Service. For this scam, and any other questionable phone calls you receive, never give out any personal, bank account, or credit card information. You can take down the details they give you, but independently look up the office contact information. At that point you may contact the office directly using the information you attained independently or, if it seems fraudulent, then call your local police. Berdahl suggests, “Never use a website address or phone number you get from a questionable contact.”

Staff Spotlight | **Lisa Snyder** is one of our Client Relations Managers and the editor of this newsletter. As a French major from the University of Virginia, she worked 7 years for a French marketing firm, before moving into an Office Manager/HR role with a healthcare company. She is a big animal lover and has worked as a pet sitter since 1989, and even owned her own pet sitting business. She joined UTBF in 2011 and enjoys the many “hats” she wears daily at UTBF! She recently celebrated her 20th anniversary with her husband Jerry, and has two children, Jerry and Amanda. They are looking forward to a family rafting/camping trip to the Grand Canyon this summer.

What’s on your nightstand? Books, magazines, Ipad, Doterra’s “holiday joy blend”

What are you reading? “The 7 Habits of Highly Effective People” and “Night” by Elie Wiesel

First website you check in the morning? Tujawellness.com – This month I am participating in a 30 day meditation challenge!

Favorite city? Paris, France – it’s where my husband proposed 20 + years ago!

Favorite getaway? I love the Florida panhandle beaches, especially a nice little place called the Henderson Park Inn (Destin, Florida), I get there at least once a year as my parents live there.

What do you never travel without? This may be TMI, but my night guard since I grind my teeth!

Favorite restaurant? This is a hard question, but Flemings in Radnor is one of my favorites. A recent discovery is Bangles in Downingtown, it has excellent Indian cuisine.

Your investment philosophy? I consider myself a saver, very conservative.

Favorite movie? I don’t have just one, I am a huge movie fan. I’ll give almost any movie a chance.

Best advice you’ve received? Stop worrying about the things you can’t control! Now I just need to follow it more consistently!

Favorite philanthropy? I donate to and volunteer for various animal rescue and conservation groups.

Hero or heroine? My parents, I am thankful everyday for the opportunities they gave me to grow into the person I am today.

Most treasured item? Family.

Current state of mind? Anxiously optimistic, as a parent of two teenagers, it’s a daily rollercoaster!



Ten Worst Mistakes (Continued from Page 1) In fact, there have been so many changes in recent years, that even an estate plan completed in 2012 or before might be out of date, obsolete, or even disadvantageous.

Solving the problem: When you update, also make sure that you review whether you should use a will, a revocable trust, and irrevocable trust or some combination of those techniques. What once worked, at an earlier stage in life, a different level of wealth, or under old laws, may no longer be optimal – or even desirable.

Most trust and estate and wealth preservation lawyers and law firms will provide updates at a reduced cost rather than charging you the full price of the first plan. However, if you were less than satisfied with the work of your lawyer or if they have retired then finding a new firm may offer real benefits. Again, make sure that they work with other clients that have your goals, level of wealth, or similar issues. Get their questionnaire and complete it BEFORE you go to the initial appointment. Being disorganized can make the process more expensive. And knowing, in advance some people who could serve as executors as well as having a general sense of percentages of your estates to each heir will probably help to reduce your overall costs. **Make that appointment.** It will stop the procrastination and almost everyone notes how much better they feel when they do, or update their planning.

Mistake #4: Not doing nursing home planning and considering lifetime gifts to reduce your estate and to protect assets for your heirs. A common estate planning mistake is failing to do long term care planning, or to consider making lifetime gifts under your estate plan to reduce your estate taxes and ultimately to protect a spouse or heirs from having to spend down all of your assets for nursing home or long term in home care.

Multiple Solutions: According to the Internal Revenue Code, annual gifts up to \$14,000 a year per spouse may be excluded from estate and gift tax. So gifts made to individuals, groups, or business, are currently subject to a \$28,000 exemption from estate tax and in some cases, inheritance taxes at the state level. As a result, if you can afford to make such gifts without harming your economic security, not only will this result in larger distributions to your heirs but you can positively impact a specific person of your choosing.

Next, you can also help a child or family member to buy a home or to start a business by using part or all of your lifetime exemption (currently \$5,430,000 dollars) to make larger and tax free gifts. In addition, certain specific and irrevocable trusts can be created to protect your assets from being spent down for your own long term care. However, the common revocable family trust cannot do this and the issues are numerous. But, an experienced wealth preservation or elder law attorney with experience in Medicaid trusts can guide you through the landmines safely and can protect assets for a non incapacitated spouse and in the long term for children and other heirs.

Mistake #9: Incorrect or conflicting IRA, 401(k), life insurance and annuity beneficiaries which are NOT COORDINATED WITH YOUR OVERALL ESTATE PLAN. Most clients that come to see us have incorrect beneficiary designations that actively conflict with their estate planning goals or that create tax nightmares or confusion for heirs. Many have a spouse named as the primary beneficiary of IRA or life insurance policies but have no contingent beneficiaries - which can trigger massive tax and asset protection disadvantages at the death of the second spouse or in a common disaster.

To make matters worse, the United States Supreme Court just recently eliminated creditor protection of heirs inheriting IRAs and other tax deferred assets. So now clients have to decide if they should leave IRA and 401(k) type assets outright or in trust. And, most existing trusts lack the special IRA provisions needed to get the beneficial tax and creditor protections.

Solution: Get an appointment or our report at <http://bit.ly/BDReport> or call the office 610-933-8069.

Thanks for taking the time to review a few of the most common estate planning mistakes and how to avoid or to solve them. **Don't forget to download (<http://bit.ly/TenWorstMistakes>) or request my full length, more detailed report which describes all 10 Mistakes!** In the limited space we have in this article (and even in my full length report), we cannot give a comprehensive review all of these issues, strategies, and techniques. There are literally hundreds of different types of trusts created under both wills and under living trusts. And, estate planning is very sensitive to your personal facts, circumstances and your specific goals and objectives. So if you are making all of these mistakes, call 610-933-8069 for a consultation. See Page 6 for a description of reports available from our office designed to assist you.

Have You Seen Our Latest Exclusive Reports and Resources? (Click covers below to download report or call our office to have a copy mailed to you)

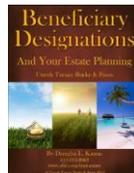
New Rules of Estate Planning



The must know changes you need to protect your estate and your heirs.

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

Beneficiary Designations Report



Important information on how to make sure your assets are titled properly to coordinate with your estate planning documents.

<http://bit.ly/BDReport>

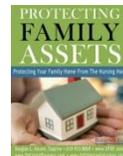
Enhanced Estate Planning Report



The 2015 edition is now available. A guide to understanding how your estate planning documents work.

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

Elder Law Report Collection



Three reports are available on our Elder Law site with detailed information on how to protect your assets from nursing home expenses.

www.PaElderLawSolutions.com

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Please call 888-605-6482 and mention you read the "UTBF NEWSLETTER", we are happy to assist you with any questions concerning your estate planning.

Coming Soon in UTBF News & Updates

- Elder Law – Free resources to help you understand nursing home costs & to protect your parents, grandparents and assets
- How to get the 2015 edition of our report on Enhanced Estate Planning
- Easy ways to keep your estate planning up to date
- Why your kids (or grandkids) should give you a medical and financial power of attorney when they go to college.

Quote of the Month:

"Truth is ever to be found in the simplicity, and not in the multiplicity and confusion of things"

– Isaac Newton