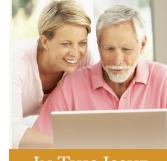
LAWYER FOR Life

KEEPING YOUR FAMILY HEALTHY, WEALTHY & WISE



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PLANNING TIPS FOR SINGLES



The 2013 United States Census indicated that 54 percent of women over the age of 65 were not married. The figure for men over 65 was 27 percent. There are many reasons for this, of course, including divorce, the death of a spouse and changes in the way couples today view marriage. However, one thing unmarried people seem to have in common is that their planning needs can be quite different from those of married couples. And, according to an article in the Wall Street Journal, many singles are unprepared for retirement.

For example, a Rand Corporation study showed that 20 percent of married couples will not save enough for retirement, whereas 35 percent of single men and 49 percent of single women will enter retirement financially unprepared. Why is there such a large disparity? One reason is that there are factors working to lower singles' income and investible resources. For example, newly widowed or divorced individuals may see housing costs jump as a proportion of income and that certain income streams may become less predictable. The cost of living for a single person is not 50 percent of that for a couple. A more realistic figure is between 60 and 80 percent, unless the single downsizes his or her home, or finds a roommate. In fact, research by the AARP indicates 40 percent of adults do in fact consider taking on a roommate.

Singles may also feel a greater need to purchase expensive long-term care insurance because there is no spouse to serve as caretaker in an emergency or over the long term. For retirees who have recently gotten divorced, there can be other challenges as well. Assets like alimony and life insurance

In addition, singles often cannot take advantage of tax breaks, such as filing jointly, that are available to married couples.

name the beneficiaries. Singles who don't own a shared policy may find themselves without any benefits at all if an exspouse changes the beneficiary designations. It is important to note, however, that there may be certain benefits available to divorcées, such as eligibility for an ex-

become less reliable sources of income. For example, alimony payments designed to cover a former spouse for life may disappear if the former spouse who was making them passes away. In the case of life insurance, owners of the policies

spouse's Social Security benefits. If the marriage lasted ten years or more, the divorced spouse can receive these benefits even if his or her ex-spouse has remarried—with no impact to the ex-spouse's benefits. Given the unique planning challenges faced by singles, it is important to consult with an experienced estate planning

attorney. If you are single, we welcome the opportunity to design a plan to meet your particular needs.

THE BENEFITS—AND RISKS—OF GIVING CHILDREN THEIR INHERITANCES WHILE YOU ARE ALIVE AND WELL



over the age of 50 would rather give inheritances sooner rather than later. Why? Many say they simply want to be there to enjoy helping their children pursue their dreams and realize their goals. How much can you give? This year, you are allowed to transfer up to \$5.34

According to a recent Merrill Lynch retirement study, 60 percent of people

million without incurring gift or estate taxes. You can also give \$14,000 a year to as many people as you like without owing current taxes or using up any of the aforementioned \$5.34 million. In addition, if you are making a

If you are interested in giving inheritances to your children while you are alive rather than after you pass away, you must

consider a number of issues. For example, one of your children might need assistance now to pay off student loans or other debt, while his or her siblings

may not. Or, perhaps one of your children is starting a business and would benefit greatly from your gift. The question is, if you give money to one child now, do you have a responsibility to give the same gift to your other children? The key to solving this thorny issue is to speak openly with all of your children, and make it clear that receiving a gift now could impact how much would be received after you pass away. Another factor to consider, particularly with regard to large gifts, is whether your children are mature enough to handle the

responsibilities involved. If you own a business and are considering turning it over to one of your children, can he or she manage it? Does he or she even want to run it? And how will your other children feel about it? Again, open communication is essential. Of course, the most important factor to consider is whether you can comfortably afford to give money and other

assets to your children before you pass away. The last thing you want is to discover five, ten or twenty years down the road you no longer have the money to support your lifestyle. And what if you or your spouse requires expensive longterm nursing home care in the future? The five-year lookback period for gifting could jeopardize your eligibility for government assistance. Before making the decision to give your children part of their inheritances now, contact us for a consultation. We can

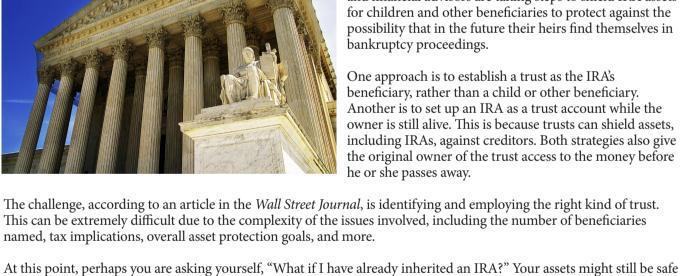
help you determine if you can afford to do so, and design a plan to maximize the benefits of your gift—for you and

your children.

THE SUPREME COURT HAS CHANGED THE RULES

GOVERNING IRA INHERITANCE

In June 2014, the Supreme Court unanimously ruled that an inherited IRA is no longer protected from creditors



name. Sadly, other beneficiaries do not have that luxury.

for children and other beneficiaries to protect against the possibility that in the future their heirs find themselves in bankruptcy proceedings. One approach is to establish a trust as the IRA's beneficiary, rather than a child or other beneficiary. Another is to set up an IRA as a trust account while the owner is still alive. This is because trusts can shield assets,

including IRAs, against creditors. Both strategies also give

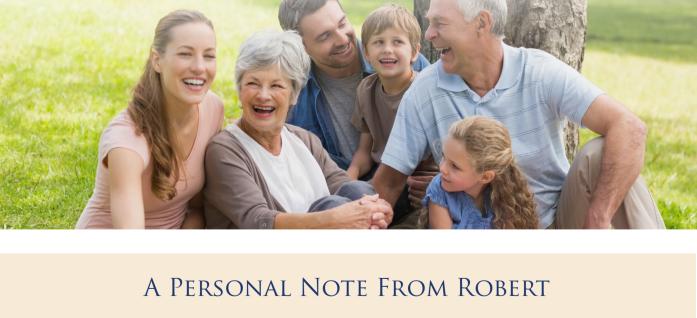
under federal bankruptcy law. As a result, many families and financial advisors are taking steps to shield IRA assets

the original owner of the trust access to the money before he or she passes away. The challenge, according to an article in the *Wall Street Journal*, is identifying and employing the right kind of trust.

from creditors, depending on where you live and how long you've lived there. The states of Alaska, Arizona, Florida, Missouri, North Carolina, Ohio, South Carolina and Texas have laws providing protection in certain cases... despite the Supreme Court's ruling. It is also worth noting that the Supreme Court did not address situations in which a surviving spouse inherits an IRA.

The jury is still out, so to speak. However, spouses can roll over an inherited IRA into another one under their own

To learn more about the Supreme Court's decision, visit http://online.wsj.com/articles/court-ruling-sparks-rush-to-shield-iras-1413147931?ru=yahoo?mod=yahoo_itp. Better yet, contact us to discuss your particular situation.



My family had a great 2014. My son, Joshua, was married in November. My daughter, Jordana, was hired to photograph food festivals in Delaware and the British Virgin Islands. My wife, Suzanne, started a new job as a pre-school director. The New Westchester Symphony Orchestra successfully completed its third year and I was elected to be President of the Board of Directors. I hired a new paralegal, Teena, who is permitting me to have

for my clients. In 2015 I am looking forward to having the opportunity to help my clients to plan and prepare for the future. It makes me happy to help you find a way to protect your assets and family.

more time to do the serious thinking necessary to put together the best estate plans and asset protection plans

Robert Boydstun

May your 2015 be happy and healthy and full of love.

Robert L. Boydstun

ELDER LAW & ESTATE PLANNING

