



WHAT TO LOOK FOR IN AN ESTATE PLAN

IN A NORMAL LIFE AND IN A PRE OR POST DIVORCE SCENARIO, Part 2

BY Gary L. Zaugg, AEP® CFP® ChFC® CASL® CDFATM



It is important to know if there is a Revocable Living Trust or a Special Needs Trust or an Irrevocable Trust, or any other kind of trust that one is involved with in any way.

The questions I ask then are:

Who is the primary trustee and who is the contingent trustee?

Are the assets and or home in fact owned by the trust and if so, it will show on the statements and city assessments forms.

Are the trustees and beneficiaries still the correct people? Which ones will change in the event of a divorce?

Does your trust match up to your will and more important, do your documents match up to your

wishes at this point in time?

Are you leaving money to charity in your will? If so, there may be no assets passing through the will if everything is in joint ownership, payable on death, owned in trust or list a beneficiary, such as IRA, 401k, annuities and life insurance!

Most non-retirement assets get a step up in tax basis at one's demise, depending on how it was owned. This "step up" may allow the asset to potentially pass to the heirs income tax free, that is except for qualified plans such as IRA's, TSA's, 401k's and even non-qualified tax deferred annuities.

If for example, you are planning to leave assets to charity it makes sense to give the tax qualified assets, while leaving the other assets to get the step up in basis and pass the heirs potentially without income taxation. In a divorce scenario, the wills and trusts may have to be rewritten to allow for the division of assets, and in some cases the elimination of certain assets going to charity as one of the "parties" may not have "charitable intent" anymore nor as many assets to give away!

When it comes to estate planning and taxation, there is now an estate tax exclusion set at \$5,430,000 as well as the "portability" of carrying over the deceased spouses exclusion which means one can shelter as much as \$10,860,000, with the proper tax forms signed.

All of this information is of a legal and tax nature, so please consult with your attorney and CPA for legal and tax advice prior to making any changes.

A good CFP® can look at all of these documents and scenarios as well as talk with the attorney and CPA with you to help match up what you are doing, financially, with what you actually want the end scenario to look like.

In Final thoughts:

Did you know that if your assets are held in trust, the person with the power of attorney has no authority to discuss those assets with anyone for you unless the trust states so! In turn, the Trustee may not have authority to discuss anything about those assets that are not held in trust such as your 401k, etc. This situation is not common, but when it is, it can be expensive to remedy especially if there are issues and differences between family members.

Some may have seen their children married and divorced and are concerned about leaving assets that may someday end up in the wrong family tree! In these cases, we discuss asset protection planning to help protect heirs from potential, divorce, liability and disability. Once it is determined that there is a concern about leaving assets to a child, the will and or trust distribution language can be written to protect those assets into one or more generations. A good estate attorney can draft your documents to meet your wishes in this area and can update those documents from time to time as family dynamics change.

Want to set up an appointment right away? Contact GARY L ZAUGG AEP™ ChFC CASL CDFATM CFP® at 757.671.3331 for a free consultation today!

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What Happened to Decorum?

By Edrie Pfeiffer, Attorney



I was leaving the courthouse the other day and two women were having a very loud disagreement in the parking lot. One woman was walking away from the other one. The person who was standing still apparently was not finished with the argument because she began yelling very loudly at the other one. I was about a block away and could hear her clearly. She began calling the other vile names and was cussing. As I walked to my car, I saw two families with very young children in the area. There was no way that these children did not hear the woman's comments. While I understand that emotions can run high after court proceedings, there is no excuse for this type of behavior.

When I was young, my mother used to say that when you used swear words, you showed a lack of vocabulary. I never heard my mother cuss and I only heard my father cuss one time. While I think there are times when a certain word may be the most effective (see the story about the one time I heard my father swear at the bottom), most times, swearing does not help anything.

We have recently had a problem with clients swearing at my staff members when they are told something that they don't like to hear. While we understand that you are going through stressful situations, I will not tolerate someone cussing out my staff members. We strive to handle your case in a professional manner and we expect you to conduct yourself appropriately. When you resort to swearing at one of my staff members, you do not improve the situation nor do you make the staff member more willing to assist you with your problem. The only thing that you are accomplishing by swearing at someone is to show that you are unable to control your temper.

** The one time that I heard my father swear was when I was in college and home on winter break. I had borrowed his pickup to go somewhere and on the way home, I slid off the road and into a fence post. The driver's door was dented where it hit the post. A neighbor pulled me out of the ditch so I could drive home. When Dad got home, I showed him the dent in his pickup door. He looked at the door, shook his head and quietly said "D##n, D##n". That conveyed his feelings more than if he had yelled and screamed at me.

Meet Betsie McKenna!

Betsie McKenna is our Chapter 7 bankruptcy, divorce and estate planning paralegal. Betsie is a former swimming and water aerobics instructor who decided to enter the workforce full time now that her three children are getting older. She is a veteran of both the Navy and the Army National Guard and is also a military spouse to her husband who has served in the Army for the last 17 years; taking them all over the world and the US.



She recently earned her paralegal certificate from Duke University in order to round out her Bachelor Degree in Sociology from Central Michigan University. She has always had a passion for social justice and helping others, making a career in the legal field a natural choice.

Betsie loves to stay in shape by swimming, running, gardening, and trying to keep up with her two dogs, three kids and all of their activities. A love of cooking, volunteering at her church and with other military spouses keeps her busy all of her other free moments.

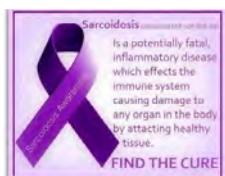
Victory Gospel Chapel in Norfolk, VA is doing amazing things!

Their Spiritual Growth Ministry targets individuals who have fallen prey to drugs, alcohol, gangs, prostitution and other social problems. The ministry not only provides rehab and therapy, but they actually house people for 6 months while teaching their residents to become self sufficient again. Residents are provided with food, clothing, toiletries and even job placement assistance. This church has a passion for helping individuals overcome addiction and crime, and 85% of their residents lead successful crime-free lives after program completion.



If you are looking for a cause to support, this is a great one! Visit www.victorygospel.org to learn more.

One of our patients, “Lucy” dealing with sarcoidosis



One of Beach Health Clinic’s patients, “Lucy”, came in complaining of migraines, eye pain and a swollen and paralyzed face. “Lucy” worked at a part-time job and was on food stamps. She was very distressed with her condition and how it was affecting her ability to work. After scheduling an appointment with the clinic’s volunteer neurologist, it was determined that the facial pain “Lucy” was experiencing was due to a rare condition called sarcoidosis. Seeing how the facial pain was preventing her from working, the BHC referred “Lucy” to a neurologist at Duke University School of Medicine to give her the proper treatment she needed. “Lucy” still sees the clinic’s neurologist for follow up care regarding her illness and her long term primary care physician at the clinic as well as the social worker, about other resources as she receives

Tell us a story about your service to our country and win a prize; Email your story to info@HamptonRoadsLegal.com



“Thanks so much for your votes! Thanks to you, we took home the Gold for Best Law Firm in the Pilot's 2016 Best-Of Contest!”



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- What Happened To Decorum? Edrie Pfeiffer, Attorney and Meet Betsie McKenna!
- Victory gospel chapel in Norfolk, VA is doing amazing things and one of our patients, "Lucy" dealing with sarcoidosis.
- Share a story win a prize (Details inside).



Referrals

One of the nicest parts of our practice is when someone sends a friend or relative to us. Be sure to have your referrals mention your name so we can recognize you and make a donation to Beach Health Clinic in your honor. Special thanks to the following individuals who have recently referred new clients to us:

D. Townsend- Chesapeake., S. Andrews- Virginia beach., I. Telles- Suffolk., S. Bias- Virginia beach., Y. Brooks – Chesapeake



Best Law firm

Office Hours: Mondays – Friday 9:00am-5:00pm
Office is closed every Monday from 12:00 pm -2:00pm

Just a friendly reminder that attorney Pfeiffer and our paralegals do not take walk in appointments or unscheduled phone calls. In you need to speak to someone about your case, please call (757) 340-3100 or email info@hamptonroadslegal.com and we can schedule a time for you to call us. This allows us to concentrate on your case without interruptions.