

your estate matters®

The Next Time Around Before You Say "I Do" Again

High divorce rates get a lot of attention. Less noticed, however, is the high rate of remarriage. According to the National Center for Health Statistics, over half of divorcees remarry within four years.

That is great news for people who found a wonderful new partner, but from an estate planning point of view, remarriage can create unintended outcomes which can be avoided easily with proper planning. According to PNC Wealth Management, 25% of adults with liquid assets over \$500,000 don't have a Will. Even if you do have a Will, failing to create a new estate plan upon remarriage may dramatically affect the distribution of your assets.

What can you do? Consider creating a pre-nuptial agreement and make any necessary changes to your estate plan.

You and your intended should consult with your own lawyers and have full knowledge of each other's assets and liabilities. This process should start well in advance of the wedding—at least six months ahead of time. Try-

ing to craft a pre-nuptial agreement the week before the wedding can be incredibly stressful and can jeopardize its validity. Without a pre-nuptial agreement, the laws of the individual state where you reside concerning marital property will prevail.

Then focus on estate planning. Consult with our office before the wedding and implement the new estate plan after the wedding. Changes are especially important when children are involved. For example, say you have one child, and you are marrying a widower with four children. Do your assets pass only to your child? Will they be divided five ways?

Planning strategies vary, but no matter what decisions you make, communicate those decisions to everyone involved.

It's a simple formula for success: Pre-nuptial agreement before the wedding, implementation of estate planning after the wedding, and open and honest communication throughout. ■

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Stay Sharp Physically and Mentally

Train Your Brain, Too

Exercising to keep your body in shape is great, but what about exercises for your mind? Brain building games are a fun and effective mental workout. Puzzles, board games, and video games aren't just fun, they keep your mind sharp, help maintain alertness, and possibly even delay the effects of Alzheimer's. (A growing number of retirement communities and nursing homes offer mental programs along with fitness and social activities.)

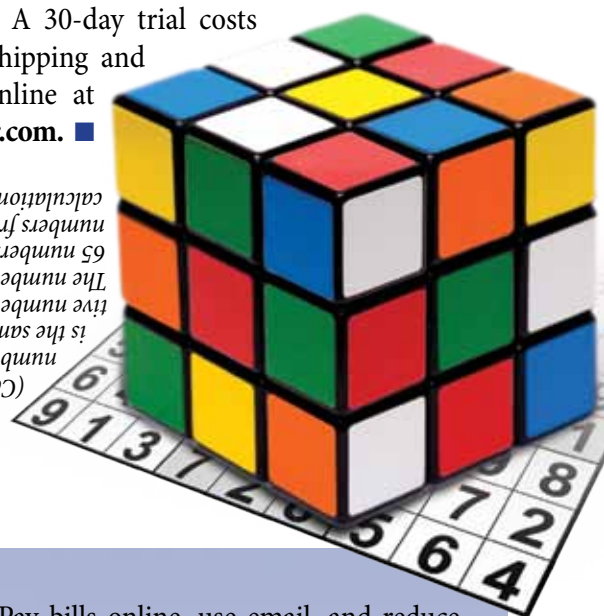
Want to try one? The houses on one side of a street are numbered with consecutive even numbers. If the house numbers start at 28 and end at 130, how many houses are there on this side of the street? *(The answer is at the end of this article.)*

Fortunately plenty of options are available, whether paper, video game, or online-based:

- ▶ **Sudoku.** A popular number placement game. Plan ahead, deal with consequences, and improve short-term memory and concentration. Online at **websudoku.com**.
- ▶ **Brain Age.** A Nintendo DS game that develops concentration, memory, math, and planning skills. Fun, challenging, and portable.

- ▶ **Crossword Puzzles.** The classic brain trainer, requires the use of language skills and a broad base of knowledge.
- ▶ **Luminosity.** Website offering hundreds of brain training games, tests, and activities. Keep track of your progress as difficulty increases. Sign up for a 7-day free trial at **luminosity.com**.
- ▶ **Braingle.** A free website with a huge collection of mental workouts. Provides over 10,000 puzzles, games, and brainteasers and even lets you create your own puzzles. Online at **braingle.com**.
- ▶ **Brainbuilder.** Software providing cognitive exercises, progress testing, baseline testing, and even nutrition information. A 30-day trial costs \$14.95 for shipping and handling. Online at **brainbuilder.com**. ■

Puzzle answer:
52 Houses
(Consecutive even
numbers from 28 to 130
is the same as consec-
utive numbers from 14 to 65.
The number of numbers is
65 numbers minus the 13
numbers from 1 to 13. The
calculation is 65-13.)



Go Green!

10 Easy Ways to Be Eco-Friendly

1. **Recycle.** Plastic, glass, aluminum, paper, cardboard... even old car tires can be recycled. And while you're at it, buy products made from recycled materials.
2. **Buy energy saving light bulbs.** Fluorescent bulbs last up to twelve times longer and use two-thirds less energy.
3. **Turn down the heat.** Lowering the thermostat by just one degree can save energy and cut costs by almost \$100 per year. Washing clothes in warm water instead of hot water cuts energy use by almost 40%.
4. **Turn off lights.** Lighting is responsible for around 11% of your electric bill.
5. **Save a tree.** Pay bills online, use email, and reduce junk mail by asking to be removed from mailing lists.
6. **Conserve water.** Only wash full loads of clothes and dishes. Take showers instead of baths.
7. **Buy refills.** Refills are available for cleaning products, beverages, shampoos, etc.
8. **Buy locally-grown produce.** Reduce the fuel used for shipping and minimize your carbon footprint.
9. **Clear the air.** Car pool, walk, ride a bike, or use public transportation.
10. **Get off stand-by.** Turn off unused appliances, computers, and electronics. Unplug appliances not in use. Use of stand-by electricity costs the average household \$200 a year. ■

Trust Administration

The Devil Is in the Details

Is it possible to create a great estate plan for when you eventually pass away? Absolutely—we'll make sure you do. Can you plan exactly when you will die... and let everyone know the date in advance? No way.

The death of a loved one, whether expected or unexpected, is not only painful and emotional—it creates complex legal and financial issues as well. If you have a Living Trust, one key task is Trust Administration, which is the process of valuing assets, dealing with tax laws, dividing assets, and making distributions based on provisions of the original Trust.

Sound complicated? It can be—but there is a well-defined process that needs to take place. Upon the death of a loved one, contact our office. We'll discuss the legal and tax requirements affecting the estate and the terms of the Trust. The Trustee—the person designated by the deceased to administer the Trust—is then required to follow those provisions. The Trustee, with the guidance of our office, will:

1. **Inventory assets.** It is the Trustee's responsibility to determine the title or ownership of all assets in the estate, along with a date of death valuation of those assets. Our office can assist you and may recommend property and asset valuation experts who can ensure accurate values.
2. **Determine estate tax.** We will determine which assets are part of the taxable estate, which are not, and the total estate tax burden, which must be paid within nine months of the date of death.
3. **Divide and Distribute Trust assets.** Assets held in Trust may be distributed without being subject to estate taxes. For example, the Trust may say Mary gets the farm without bearing any part of the taxes and expenses. In which case, other assets would bear the cost of taxes.
4. **Make distributions to beneficiaries.** Once debts and taxes are paid, the next step is to follow the terms of the Trust and pay out any assets due to the beneficiaries.

The process sounds simple, but mistakes can create complications. The most common pitfall occurs when a Trust is improperly or inadequately funded, especially if

the deceased did not place intended assets into the Trust before dying. Those assets remain part of the estate and will be subject to probate. Any asset not placed into the Trust during the deceased's lifetime goes into the Trust at death after probate. This streamlines your dispositions and makes sure assets go to whom intended.

Trustees without proper guidance can also complicate the process. A Trustee who does not seek experienced legal counsel can make mistakes that cost the estate time and money.

While Trustees are a vital part of Trust Administration, experienced legal guidance is absolutely critical. ■

What's in a Legacy?

He was the Associated Press Athlete of the Year four years in a row. He won his sport's ultimate event a record seven straight times. Amazing achievements... yet he didn't stop there.

His foundation has raised hundreds of millions of dollars for cancer awareness and research. He has lobbied for cancer treatment funding, co-hosted televised cancer forums with presidential candidates, and helped persuade the state of Texas to approve \$3 billion for cancer research. Today a worldwide "Livestrong Army" supports cancer research and treatment and seeks to live healthier lives.

Lance Armstrong is arguably one of the most influential athletes of our times. In overcoming a life-threatening illness, he leveraged the achievement of his personal athletic goals to create a forum and platform that helps millions of people around the world. He recently returned to bicycle racing not just to compete, but also to continue to make a difference.

What will your legacy be?

How many people can you inspire by your example and actions? ■

Re-Entering the Workforce

Considerations for Returning to Work

Many people who thought they were set for retirement have decided to rejoin the workforce to offset the cost of healthcare and living expenses. It's a growing trend: According to the National Federation of Independent Businesses, approximately 17% of the workforce is now 65 or older, up significantly from the 1990s.

If you're still employed, think carefully about everything early retirement will impact. Make sure you can keep your health insurance, that your pension won't be affected, and that you're financially ready to leave the workforce. And if you do take a buyout, consider a lump sum payment instead of deferred payments if you're concerned about the long-term viability of your company.

If you lose your job, or you decide to go back to work after retiring, first consider opportunities in your field. Many firms prefer to hire part-time workers or consultants in order to keep costs low. You may even be able to work from home at least some of the time.

If you're changing careers, what industries are likely to hire, even in a down economy? Opportunities range from retail sales, nursing, teaching, customer service, and food preparation to executive positions in health care, financial services, and business services. Other opportunities may be found in education and government.

Many companies recognize the worth of older employees—many feel experienced workers produce more while requiring less supervision than younger workers. Search for full- and part-time jobs available in your area on sites that cater to older workers. Among those that offer listings and advice are **Workforce50.com**, **RetirementJobs.com**, and **Encore.org**.

Many community colleges offer courses and seminars on pursuing “encore,” or post-retirement, careers. Also check out the Senior Community Service Employment Program (SCSEP), sponsored by the Department of Labor, at **www.doleta.gov/seniors**. SCSEP offers training and part-time job opportunities for people over 55. ■

Fraud Loss

Making the Best of a Bad Situation

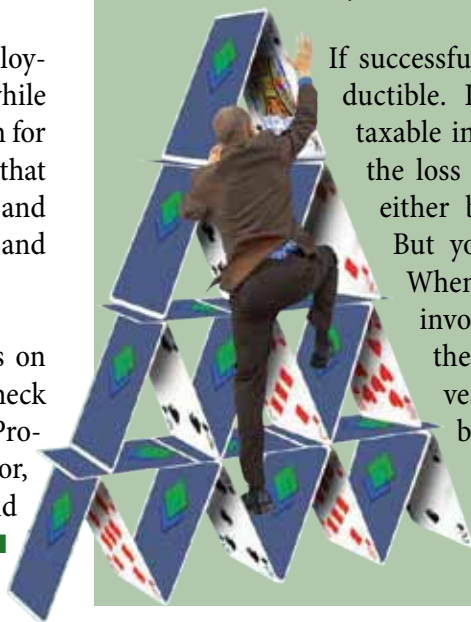
You may not have been affected by Bernie Madoff's Ponzi scheme, but if you lose investment funds due to fraud, how you treat that loss for tax purposes can make a big difference on your tax return.

The difference lies in how the loss is categorized. Say you bought and later sold stock for \$1,000 less than you paid. The resulting investment loss is a capital loss, and can be used to offset capital gains enjoyed during that same tax year. The tax rate on capital gains is capped at 15% regardless of your income, generally.

If you lost all or part of an investment due to fraud, that loss is considered an ordinary loss and can be deducted against ordinary income. Say you lost \$1,000 due to fraud. That amount can be deducted to offset other ordinary income, and if you are in the 28% tax bracket, the impact on your taxes is significant.

To prove fraud, you have to pass IRS tests. Regulators—like in the Madoff case—may file fraud charges. Or you may substantiate the fraud by filing a lawsuit or arbitration case. You will also need to prove you have explored all possible legal means to recover the money.

If successful, the loss is fully deductible. If losses exceed your taxable income, you can spread the loss across multiple years, either backward or forward. But you may have to wait. When a bankruptcy court is involved in the fraud case, the IRS may require investors to wait until the bankruptcy court determines how much—if any—of the money will be recovered. ■



Winning Recipe

Sugar-Free Cheesecake

- ▶ 4 eggs, separated
- ▶ 2 egg whites
- ▶ ½ cup and 2 tbsp no calorie sweetener, granulated
- ▶ 1 tsp lemon juice
- ▶ 1 tsp salt
- ▶ 3 cup cream cheese, light
- ▶ ½ cup sour cream
- ▶ 2 tsp vanilla extract

1. Preheat oven to 400°F
2. Grease the bottom of a 9-inch pan with butter
3. Separate eggs, and beat egg whites with salt until stiff
4. Beat together 2 cups sweetener and the egg yolks until thick
5. Add lemon juice to egg yolk and sweetener mixture
6. With the mixer on a low-medium setting, beat cream cheese into egg yolk mixture, a little at a time, until incorporated and fluffy
7. Add a small amount of the egg whites to mixture and mix in gently
8. Gently fold the cream cheese mixture into the remaining egg whites
9. Pour mixture into pan
10. Bake for 10 minutes at 400°F
11. Reduce temperature to 300°F and bake for another 40 minutes
12. When the top of the cake is set, turn off the oven, keep its door closed, allow to cool for an hour
13. Remove and continue to cool on a wire rack
14. Whisk together remaining ingredients (sour cream, 2 tbsp sweetener, and vanilla) . Spread on top of the cheesecake.

Makes 12 servings (serving size: 1 slice)

Nutrition Information Per Serving:

Calories:	165.2
Fat:	12.6g
Protein:	8.8g
Carbohydrate:	7.7g
Sugars:	4.4g

Have a great recipe to share with everyone? Have it featured in our next newsletter by mailing it to **our office** ■

Diabetes Warning Signs

What to Watch Out For

Diabetes is caused by too much glucose in your blood and not enough in your cells. If your cells don't get the glucose they need, you could develop Type 1 or Type 2 diabetes. Here are the warning signs and symptoms:

- ▶ **Frequent trips to the bathroom.** Frequent urination results when your kidneys can't filter excess glucose.
- ▶ **Unquenchable thirst.** If you're drinking much more water than usual, it could be a sign of diabetes, especially if urination increases too. Your body pulls extra water out of your blood and you feel dehydrated as a result.
- ▶ **Weight loss.** Your body breaks down muscle tissue and uses stored fat as it looks for energy because the cells aren't getting enough glucose.
- ▶ **Weakness and fatigue.** Cells need glucose for energy; if you don't have enough you feel tired and run down.
- ▶ **Tingling in your extremities.** Long-term high levels of blood glucose can damage your nervous system, known as "diabetic neuropathy."
- ▶ **Other symptoms.** Blurred vision, dry or itchy skin, frequent infections, or cuts and bruises that heal slowly.

If you notice any of the above signs, see your doctor. A fast-ing blood sugar (FBS) test or an oral glucose tolerance test (OGTT) will help determine whether you have diabetes—and more importantly how you can manage and treat it. ■



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Reading to Go

Audio Book Options

Want to read—without actually reading? Want to carry the equivalent of a huge stack of books inside a device that weighs less than a pound? Audio and e-books are the answer.

Listening to a book has never been more popular. You can check out or download audio files from a library to play on an MP3 player, iPod, iPhone, or similar device. Or you can download free books from a variety of online sources; search using the phrase “free audio books” or go to websites like audiobooks.org. Want to hear an audio book before you buy a device? Go to audiobooks.org and listen on your computer.

If you still want to read, try e-books. Devices like the Kindle from Amazon are a great option. You can download and store over 1,500 books in a portable, easy-to-use device. And if you want, you can increase the font to a size you’re comfortable with. Kindle books are cheaper, averaging about \$10 for new titles and less than \$2 for classics—and many (including the first chapter of most new titles) are even free.

You can also read newspapers, magazines, and blogs; the cost varies. You can take notes, create bookmarks, and even access a built-in dictionary. If you have an iPhone, you can access books you’ve purchased for the Kindle at no additional charge. You can even have the book read to you if you choose—as long as you don’t mind the computerized voice.

Listen to an audio book or read an electronic book—both are great green ideas! ■

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William T. (Tom) Edwards, Jr.

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