

# yourestatematters®

## Giving Where It Matters Most

### Finding and Supporting Great Charities

**P**eople and animals in our communities and around the world need help. That's why millions of Americans donate their money, time and assets to causes they feel passionate about.

According to the National Center for Charitable Statistics, there are nearly 1 million different public charities, not to mention hundreds of thousands of foundations and other types of nonprofit organizations. With so many to choose from, it can be difficult to find legitimate organizations that not only perform work that you feel makes a real difference but also use donor contributions wisely.

One place to start is by helping people near you. Check with your local Chamber of Commerce or social services office to learn about organizations serving your community. To cast a broader net, sites like [www.charitywatch.org](http://www.charitywatch.org) let you search for U.S.-based charities by cause.

Then make sure the charity is recognized by the IRS if you want your gift to be tax-deductible. IRS Publication 78 lists qualified organizations as well as any deductibility limitations. A charity may fall under three different code sections: Qualified for income tax purposes, gift tax purposes, and estate tax purposes. (For example, most charities that qualify for income tax deductions also qualify for gift and estate tax purposes, but some do not.) Make sure you understand the guidelines, or contact our office for help.

To understand how much of your contribution goes to the cause and how much goes to administrative costs, sites like [www.charitynavigator.org](http://www.charitynavigator.org) evaluate the financial health of over 5,000 organizations. As a rule of thumb look for charities that spend at least 75% of their funding on actual programs and services.

Giving to charities is a great way to help those who are less fortunate. Take time to ensure your philanthropy truly assists the causes you are passionate about and supports your estate and income tax planning goals. ■



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## Thinking Past Money

### How to Leave a Lasting Legacy When Assets Are Limited

When most people think of the word “inheritance” the proverbial rich relative and large sums of money come to mind. Yet legacies extend far beyond money and assets. According to a study conducted by Allianz Life Insurance Company of North America, here is what respondents had to say about the importance they placed on these bequests:

- ▶ Values and life lessons: 77%
- ▶ Tangible personal property with emotional value: 34%
- ▶ Financial assets: 10%

Only 10% of respondents felt financial assets were the most important inheritance (which is good news if the recession has impacted your net worth). So if your estate will not be as large as you may have hoped, how can you leave a lasting legacy for your loved ones?

One strategy is to purchase life insurance. As you get older life insurance premiums rise, but the right policy could ensure heirs are left with a tidy sum. Consider purchasing second-to-die coverage, a policy that pays beneficiaries only after both you and your spouse pass away.

Another is to convert a conventional IRA or other retirement plan to a Roth IRA. Converting to a Roth allows you and your heirs to take future distributions tax-free under most circumstances. Also, with a Roth IRA you would not have to take any minimum distributions during your lifetime. But remember, you will have to pay any income tax that is due as a result of the conversion.



Most importantly, think about personal legacies and items you can pass on. Take the time to share the stories, values, and lessons you have learned with your loved ones so your family history will survive and enrich the lives of others. Use a Legacy Planning Letter to specify whom you wish to receive family heirlooms and other personal property that carry special emotional meaning.

Your heirs want to remember who you are and how you lived; the financial assets you may—or may not—leave behind are a lot less important to the people who love you. ■

## Would Your Retirement Plan Hold Up?

Retirement plans are built on a variety of factors and strategies and take into account longevity expectations. According to the Centers for Disease Control and Prevention, the average 65-year-old can expect to live to be almost 84 and will therefore need at least 20 years of retirement savings.

While that might seem like a considerable sum to amass, keep in mind the world’s oldest living person, Kama Chinen of Japan, is 115 years old. If you retire at age 67 and enjoy equal longevity, your retirement will last for nearly 50 years.

Studies show that while 25% of the variation in life span is due to genetics, the majority is based on modifiable risk factors like weight management, exercise, and not smoking. So while you probably will not need to envision a 50-year retirement plan, make sure you create a plan that helps you enjoy a healthy—and long—retirement that hopefully will last well into your 80s or 90s. ■

## Good Intentions Could Ruin a Good Plan

### Estate Planning for Parents of Children with Special Needs

Since no one is shielded from death or tragedy, most parents recognize the need for an estate plan to look after the welfare of their children. But when the child has physical, emotional or mental challenges, careful estate planning is even more crucial. One of the critical reasons to create a proper estate plan is to preserve a special needs child's eligibility for government benefits and other programs. There are traps that could jeopardize eligibility for those benefits—one of those is beneficiary designations in retirement plans.

Beneficiary designations in retirement savings plans can provide great flexibility for passing on an inheritance: You can designate primary, secondary, and contingent beneficiaries, or even designate groups of people like “surviving children” or “surviving grandchildren.”

On the other hand, the convenience and flexibility provided by leaving funds in retirement plans—or other tangible assets—to children with special needs can have a dramatic unintended financial impact on those receiving needs-based government benefits.

For example, say your son has cerebral palsy and requires special care. Due to the condition he qualifies for Medicaid and receives aid to help with his daily living and medical needs. You certainly wish to leave him money to help make his life better... but if your retirement funds pass directly to your son, receiving those assets may disqualify him for Medicaid benefits. Since in general terms only a home, a car used as transportation for medical care, and \$2,000 in cash are exempt from Medicaid calculations, inheriting a large sum of money could make a dramatic impact on eligibility for disability benefits.

The best way to avoid this situation is to create a Special Needs Trust and place or leave the assets intended for that child in the Trust. A Special Needs Trust is designed to supplement benefits received from government programs. Instead of paying for medical care, for example, the trustee can then use those funds for the best use and comfort of the beneficiary and pay for things Medicaid will not pay for.

Setting up a Special Needs Trust is relatively straightforward. In most states a discretionary Trust qualifies as long as the beneficiary is not also the trustee and the Trust was set up by someone other than the beneficiary. Retirement plans and gifts can then be left directly to the Trust, which could be used for clothing, entertainment, vacations, and other discretionary spending for the benefit of the child.

Contact our office for help in creating a Special Needs Trust. Properly designed, the Trust can receive retirement funds or other assets without creating negative repercussions. Your goal is to help your child with special needs without compromising his or her benefits, so make sure your best intentions are truly realized. ■



## What's in a Legacy?

A classic example of the rags to riches story, he started as a telegraph operator and became the second richest man in history. Yet even as he built his net worth he kept an eye on a greater prize, saying his eventual goal was to “make no effort to increase my fortune, but spend the surplus each year for benevolent purposes.”

After selling his steel company in 1901 he turned to full-time philanthropy, establishing over 2,800 libraries and scientific, research, and education organizations around the world. Since he had already given away nearly \$350 million (well over \$4 billion in today's dollars), at his death he left the remainder of his fortune to foundations and charities.

Today the Carnegie Mellon Institute, Carnegie Corporation, and Carnegie Hall are ongoing examples of Andrew Carnegie's philosophy that he was a “trustee of wealth... with the duty to use resources to the benefit of society.”

Andrew Carnegie devoted his entire fortune to help others.

What will your legacy be? ■

## Supermarket Sweep

How to Save \$\$ at the Check-Out Line

**W**ant to trim a little fat from your food bills? A little planning can make your food budget go a lot further.

Start by assessing what food you already have in your kitchen. What is hiding in your cupboard or refrigerator? Chances are your typical trip to the store results in buying items you forgot you already had. Plan your meals using your pantry as the foundation, then make a list of what you need to buy to complete those meals. Not only will you put money you've already spent to good use but you'll more easily avoid making impulse purchases.

Now match your shopping list to coupons and incentives. Using just a few coupons could save 10 to 15% on your total bill. But make sure you aren't tempted to buy items you don't need simply because you have a coupon. If your store offers a frequent shopper program, sign up and start saving.

Then eat before you leave for the store. Everything looks tempting when you're hungry; the bigger your appetite, the more you spend.

As you walk in the store, pull out your list and a calculator. Enter the cost as you place items in your cart; a running total will help you stay on track. Avoid

the side and end displays that tend to have higher-priced items. Give store brands a try. Many are produced by the same manufacturers that package name brands. And avoid "convenience" items, like pre-packaged servings and meal combinations.

If you save \$10 a week—that's over \$500 a year! If you plan your meals ahead of time, you'll almost always eat better and healthier. What's not to love? ■



## Cheaper (Legal) Drugs

The Pros and Cons of Buying Meds Abroad

**M**ore and more Americans are purchasing medications online or during trips out of the country. Depending on the medication required you can often save between 50 to 80% compared to the cost from a U.S. pharmacy. For example, the cholesterol drug Lipitor can cost approximately \$350 in this country but less than \$130 overseas. Just make sure you understand the legal issues involved and take basic precautions.

If you travel abroad, FDA guidelines allow you to bring in up to a three-month supply of prescription medications for personal use. But customs agents may require proof the drug is for your personal use and may ask for your doctor's contact information.

If you don't plan to travel, you can also purchase medications online. Send a legal prescription to an Internet pharmacy and the medications will be shipped to you. In this country, look for online pharmacies designated as Verified Internet Pharmacy Practice Sites (VIPPS) and licensed by the National Association of Boards of Pharmacy (NABP) to deliver medications in your state.

Keep in mind some medications have similar names but very different purposes. For example, in this country Ambien is a sleep aid while in England Ambyen is used to treat heart problems. Prozac is used to treat depression in the U.S.; in Denmark Prazac is used to lower blood pressure and treat hypertension.

When you receive your order verify the contents. Before you open it, make sure the package is sealed and properly labeled. Sites like [www.drugs.com](http://www.drugs.com) provide pill identification guides. If you are unsure, consult your doctor before ingesting any medications.

Saving money on overseas medications only makes sense if you actually receive the medicine you pay for. ■

## Winning Recipe

### Sourdough Stuffing with Pears and Sausage

#### Ingredients:

- 12 ounces cubed sourdough bread
- 1 pound turkey Italian sausage
- Cooking spray
- 2 pounds chopped onion
- 2 c. chopped celery
- 1 c. chopped carrot
- 8 ounces sliced mushrooms
- 1 tsp. salt
- 2 garlic gloves, chopped
- 2 c. (½-inch) cubed peeled Bartlett pear
- 1 ½ tbsp. chopped fresh basil
- 1 ½ c. fat-free, less-sodium chicken broth
- ½ teaspoon freshly ground black pepper

#### Directions:

Preheat oven to 425°. Arrange bread in a single layer on a baking sheet. Bake at 425° for 9 minutes or until golden. Place in a large bowl.

Remove casings from sausage. Heat a large nonstick skillet over medium-high heat. Coat pan with cooking spray. Add sausage, and cook for 8 minutes or until browned, stirring to crumble. Add sausage to bread cubes, tossing to combine. Set aside.

Return pan to medium-high heat. Add onion, celery, and carrot; sauté 10 minutes or until onion begins to brown. Stir in mushrooms and garlic; cook 4 minutes. Stir in pear, basil, and salt; cook 4 minutes or until pear begins to soften, stirring occasionally. Add pear mixture to bread mixture, tossing gently to combine. Stir in broth and pepper.

Place bread mixture in a 13 x 9" baking dish coated with cooking spray; cover with foil. Bake at 425° for 20 minutes. Uncover; bake stuffing an additional 15 minutes or until top of stuffing is crisp

#### Nutritional information (per serving):

Calories: 199   Proteins: 10.7g   Fibers: 3.4g  
Fat: 5.2g   Carbs: 28.6g

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

## You Can Increase Life Expectancy

### Healthy Lifestyle Post-Retirement

**F**or years many scientists have believed following a low calorie diet can cause people to live significantly longer. Their research showed that reducing calories to around 60% of normal levels could reduce the risk of heart disease and cancer, but increase the risk of constant hunger pangs.

But recent research shows reducing specific types of calories instead of the total number of calories could produce the same results. Cutting the consumption of protein found in some fish and meats could slow the aging process and increase life expectancy.

One way to reduce consumption of those foods is to follow a primarily vegetarian diet. Scientists recommend eating 5 servings of fruit and vegetables per day. Boosting your body's levels of natural antioxidants can also be important; berries are known to be the highest in antioxidants.

It is never too late to make a positive change: People who exercise, maintain their target body weight, and do not smoke during their retirement increase their chances of living for another 25 years. In fact, your chances of reaching age 90 depend significantly on what you do from age 70 on. Healthy behaviors during retirement are directly associated with a longer lifespan and overall good health.

So if you are overweight you may need to reduce calories and exercise more, at least until you reach your target weight. But take heart since there is a lot more to longevity than starvation diets. ■



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## More Than Just a Quiet Place

### Take Advantage of Your Public Library

**D**o you love to read? If you do, you may love your public library... and while you are there you may find a lot more to love. You can check out a wide variety of books, and not just new titles but out of print books, specialty titles and how-to guides. The average library carries a much broader selection than any bookstore. You may also find magazines, music, movies and audio books.

In addition to items you can check out, most libraries offer free Internet access and low-cost printing. Most also hold frequent programs and seminars on specific topics ranging from history, culture, personal finance and literacy... not only can you enjoy the opportunity to learn but you may find opportunities to share what you know with others. Almost every library has a limited budget and continually seeks volunteers to lead seminars and discussion groups.

And don't forget the in-library experts: Reference librarians. Simply call or submit a reference question online or during your visit and a skilled librarian's years of research experience and knowledge of specialized reference materials goes to work for you. Don't be afraid to ask; reference librarians love to do research. If you like to do your own research, your library may offer free access to online reference databases and archived articles from major publications.

The library is also increasingly convenient. Your library's website may allow you to reserve books, renew books you have checked out, search for titles, and learn about upcoming events and programs. Many libraries now have digital books, including popular titles and "how to" books which can be downloaded onto your digital book readers or computers at no cost. Best of all, your public library provides opportunities to meet new people and interact socially—for free! ■

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