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IN THIS ISSUE

- Think Twice Before Deciding To Serve As TrusteePage 1
- Some Thoughts About The Purchase Of Long-Term Care InsurancePage 2
- Can You Still Retire Comfortably On a Million Dollars?Page 3
- A Personal Note From JanPage 4



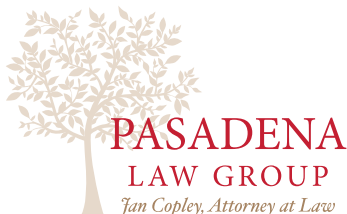
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THINK TWICE BEFORE DECIDING TO SERVE AS TRUSTEE

If you have been asked to serve as a trustee, chances are you were initially flattered by the request. After all, it is quite an honor—a parent or other loved one thinks highly enough of you to entrust you with the management of a major portion of their life’s savings. However, before agreeing to serve as trustee, it is important to consider the responsibilities involved. Administering a trust typically involves all of the following duties, and sometimes many more:

- Locating and protecting trust assets
- Collecting life insurance policies, annuities, and retirement accounts that name the trust as the primary beneficiary
- Coordinating settlement of the estate with the personal representative if a probate administration is necessary
- Obtaining the values of all trust assets at the time of the trustmaker’s death. These assets include real estate and business interests
- Ascertaining and paying off all of the trustmaker’s debts from funds remaining in the estate
- Assessing income and estate tax liabilities
- Preparing and filing all required income and estate tax returns
- Paying the ongoing expenses of administering the trust until it can be terminated and distributed to beneficiaries
- Raising the cash necessary to pay off debts, the ongoing expenses of administering the trust, and estate and income taxes
- Investing and managing trust assets until they can be distributed to beneficiaries
- Distributing all assets left in the trust after all of the aforementioned debts, taxes and expenses have been paid

Accomplishing all of these tasks is both time consuming and, in many instances, extremely complicated. The first question to ask yourself is whether or not you actually have the time and the skills necessary to administer the trust. Another factor to consider is that a trustee can be held personally and financially responsible for failing to carry out the mandates of the trust to the letter. Even if a mistake was inadvertent, the penalties can be severe.



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THINK TWICE BEFORE DECIDING TO SERVE AS TRUSTEE (CONT.)

Given all of this, it is clear that the decision to serve as trustee should not be taken lightly. If you are considering whether or not to accept the role of trustee, we can help you understand the responsibilities and risks involved. If

you decide to serve as trustee, we can guide you through every stage of the process. If you would prefer not to accept this responsibility, we can help you choose the ideal person to serve in your place.

SOME THOUGHTS ABOUT THE PURCHASE OF LONG-TERM CARE INSURANCE

The United States Department of Health and Human Services estimates that approximately 70 percent of Americans over the age of 65 will need some type of long-term care. Contrary to what many people believe, Medicare does not cover long-term custodial care. Given the cost of such care, it makes sense to consider your options, in advance, about how to obtain the care you might very well need without exhausting your life savings to pay for it.

One such option is long-term care insurance. Here are some factors to consider regarding the purchase of a long-term care insurance policy.

Your age and health matter.

The younger you are when you purchase long-term care insurance, the less expensive it will be. Unfortunately, if you have conditions such as diabetes or heart disease, your application might be rejected.

It is better to have some coverage than none at all.

The very best plans, such as those that adjust for inflation or cover the widest range of services, may be prohibitively expensive. Experts advise that policies with the option to add services in the future may be a better approach.

Know *exactly* what services are provided by your policy, and just as importantly, what services are not covered.

Take note of when the coverage begins.

Most policies have what is known as a waiting period. During the waiting period, you will have to pay for services on your own before the policy kicks in. As you would expect, the shorter the policy's waiting period, the more expensive the policy will be.

Finally, if you buy your policy through an agent, ask him or her these three questions:

- How long have you been selling long-term care insurance?
- How many policies have you sold? Fewer than 100 is not enough.
- How many insurers do you work with? The minimum should be three or four.

To learn more about long-term care insurance, visit the link below to access an article about this topic in the *Los Angeles Times*. Even better, contact our office for a consultation about whether long-term care insurance is right for you, and if so, what type of policy makes the most sense for your particular situation.

CAN YOU STILL RETIRE COMFORTABLY ON A MILLION DOLLARS?



Once upon a time, amassing a million dollars for retirement meant that your golden years would be very golden indeed. But what about now—is a million dollars still enough money to enjoy a luxurious retirement? A recent article in *USA Today* addressed this question.

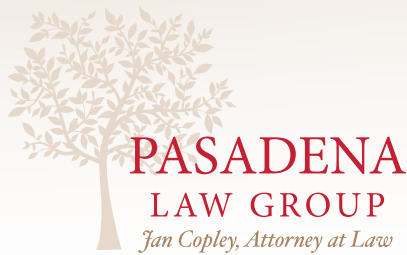
The good news is that more than 9 million people in the United States have over a million dollars. The bad news is that today, the opportunities for what once might have been considered a retirement on par with the “lifestyles of the rich and famous” could require closer to 2 million dollars, perhaps more.

Why? According to the article, one reason is that in today’s economic climate, a million dollars translates into a sustainable annual revenue of \$40,000-\$50,000. That’s down from 10 to 12 years ago, where a million dollars could generate approximately \$70,000-\$80,000 in sustainable annual revenue. Other factors to take into account include:

- Generous pensions are largely a thing of the past
- People are living longer than ever before, and they often spend more in retirement than they did while working, simply because they have more free time
- Long-term care is already very expensive and costs will continue to rise in the future

While a sustainable annual income of \$40,000-\$50,000 is nothing to sneer at, a successful retirement depends on proper management and prudent decisions. One of the classic mistakes is to make a major purchase upon retirement, such as a boat or membership in a private golf club. The consensus among investment professionals in the article is that a million dollars can still provide you with a comfortable retirement, but proper planning, realistic expectations, and a sustainable cash flow are the keys to success. You can learn more about this issue by visiting the link below and reading the full article.

<http://www.usatoday.com/story/money/columnist/brooks/2014/04/22/retirement-pension-financial-planning-401k/7864899/>



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A PERSONAL NOTE FROM JAN

Welcome to our most recent newsletter! I hope you have had a wonderful summer.

In this edition, we discuss what is involved in serving as trustee of someone else's trust. It is an honor to be asked to serve as trustee, but there is also work involved. In my career of helping surviving children and spouses settle a loved one's trust, my clients have often been quite surprised at how complex a trustee's duties are. And, those duties go to financial — managing assets and preparing reports — but also to emotional tasks, such as dealing with survivors and their grief.

However, I find that it's always rewarding to do something that benefits people around you. And, please remember that we are here to help you every step of the way.

I think the non-legal question I get the most is, "Should I buy long-term care insurance?" I'm not a financial advisor, so I can only discuss the pros and cons with

my clients. Our newsletter has an article that suggests the questions you need to ask in connection with this decision.

Finally, we ask if you can still retire comfortably on \$1,000,000. A lot of that is up to you, of course; what is your current lifestyle like? And, what lifestyle do you want for your retirement? Hopefully, our article will be helpful to you in your discussions with yourself about your planned retirement.

Have a wonderful quarter! If you have any questions about any of this, please feel free to contact me.

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