

February, 2015

The Year Ahead



Warm greetings clients! I trust each of you is looking forward to the arrival of spring and the departure of snow! Although this article has absolutely nothing to do with the flowers to the right, I thought we could all benefit from the reminder winter will eventually end!



The past few months have been rather busy for us and there have been a number of changes occurring you should be aware of. First and foremost, Marilyn Dubasak has retired as of December of last year. This was one of those “bitter sweet” moments for all of us. We were sad to see Marilyn depart, yet at the same time excited for the new opportunities retirement presents for her and her husband. One of the primary reasons for her retirement was to be able to have more time to travel. To date, Marilyn has sent me photos of two separate trips she and her husband have taken – all of which contained one or more palm trees! Clearly her timing was impeccable and I am glad she is taking advantage of “warm climate” travel opportunities.



Several clients have asked if they could send a note or card to Marilyn. If you are moved to do so, please send them to our office and I will make certain they get forwarded to her.

As you know from last year’s Annual Client Meetings, Maggie Dellinger has assumed Marilyn’s responsibilities. After 8 months of working closely with Marilyn and having successfully completed a “brilliant” two day workshop on Trust Funding (yes I was the lead instructor), Maggie is well positioned to provide assistance with any type of funding issue or concern you may have. It has been my sincere pleasure to have had the opportunity to work closely with Marilyn for nearly six years. Although we will all miss her and the many contributions she made to our firm, we are excited to have Maggie on our team.

As we continue to experience unprecedented growth in our business, we recognized a need to expand our service team to ensure consistent and quality client services. To this end, Laura Golnick joined our team in a part time capacity as a legal assistant last April. Laura assists both Pat McCrea and Maggie to ensure a consistent high quality of client services.

Speaking of Pat McCrea, Pat has been diligently preparing Asset Review Reports. This project starts in the beginning of January and concludes in mid-February. As you can imagine this is no small undertaking. In reviewing your Asset Review Reports, I noticed in

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some of your reports Pat has included some comments requesting you provide us with documentation to verify the funding on newly acquired assets. If your report contains such a request, we very much appreciate your assistance in returning the requested documentation along with your Asset Review Report.



Joe and I continue to focus on three primary areas, existing clients, new clients, and innovation. Last year we welcomed over fifty new clients to our client family. Many of our new clients were referred by you, our existing clients. Both Joe and I remain most grateful for the trust and confidence each of you place in us. We also continue to provide ongoing service and estate plan updates to our existing client family which now exceeds over 500 clients!

Finally, Joe and I are working closely with our paralegal, Nicole Leffel, in making a number of changes to how we wind down affairs. This "innovation" is designed to accomplish several key results: reducing the length of time to wind down affairs, identifying and providing assistance to beneficiaries as they work through the grieving process, and establishing services to protect beneficiaries from making common mistakes that result in losing their inheritance. We will be sharing more about these innovations at the upcoming Annual Client Meetings.

This year is off to a great start for us. On behalf of our entire service team, thank you for being a part of our client family.

Peace!

Scott



Facebook Announces Digital Legacy Service

One of the most frequently asked questions from clients is "What happens to my online accounts on my death?" Admittedly, the laws governing the process which must be followed to close a deceased person's online accounts varies from state to state. This past week, Facebook took the unprecedented step in developing a "legacy contract" service.

A legacy contract is a legally binding authorization to permit Facebook to give access to your account upon your death. The trusted helper you designate will have the authority to close your account, convert it to a "memorialized" (i.e. "in memory of") account, update a profile picture or cover photo, or write a final post for your profile. They will also have the ability to download a copy of what you've shared on Facebook.

This is clearly a big step forward in the area of digital estate planning. One issue that remains unaddressed is what happens upon disability. Clearly, there is still some room for further development, but this is the first large size social media company who has gone to the effort to provide a solution.

If you have a Facebook account and would like to register for the "legacy contract" service, simply login to you Facebook account. Select the "Settings" option, then select "Security". At the bottom of the Security page is an option called "Legacy Contract". Click on that option and you will be prompted to select the person you wish to designate as your digital heir. We will continue to monitor the development of these types of issues and will keep you updated via the Client Connections Newsletter.



Upcoming New Client Orientation Workshops

We are pleased to announce the dates of our upcoming New Client Orientation Workshops. These programs are a pre-requisite first step in our planning process.



For couples, both spouses should plan on attending. As always, there is no cost or obligation to retain our firm for estate planning services by attending an Orientation Workshop. Thank you for your gift of referrals!

New Client Workshop Dates:

Tuesday, Mar. 3, 1:00 to 4:00

Tuesday, Apr. 7, 9:30 to 12:30

Prospective clients may register for a Client Orientation Workshop by registering online (LifeDesigLaw.com) or by calling the office at (216) 236-6480.

Hearing Assistance Now Available

When our Client Advisory Board met last Spring, one of the recommendations we received was to equip our new learning center with the latest technology to better meet the needs of our clients with hearing impediments. To this end, we have installed an Assisted Hearing System in our new office. Our new Assisted Hearing System utilizes both FM transmission and the "T-coil Loop" system. Additionally, we also purchased a number of handheld receivers which do not require a hearing aid to function.



Unfortunately, our Assisted Hearing System is not able to be transported to an offsite program. For this reason, we will offer a number of our Annual Client Meetings at the learning center in our new offices. If the availability of the Assisted Hearing System is important to you, please be sure to register for programs held at our office as opposed to the Middleburgh Heights Community Center. Please let us know when you register for a program if you would like hearing assistance and we will be happy to help.

Client Advisory Board Reminder

Just a reminder to those clients who have volunteered to serve on the Client Advisory Board that our next meeting will be held on Monday, April 13 from 1:00 to 4:00 pm at our new office location. For those of you who are really proactive with your calendars, the date for the fall meeting of the Client Advisory Board will be Monday, October 12, from 1:00 to 4:00 pm. We will send a reminder email to each of you shortly before each meeting.



As a reminder, the Client Advisory Board is a volunteer group of clients who provide feedback, evaluation, and counsel to Scott and Joe regarding both new or existing services. At our next meeting, we will be focusing on the changes we are making to our process of assisting families wind down affairs. We look forward to seeing each of the board members in April!

2015 Tax Update

This year, the IRS and Congress have very few changes to the federal estate and gift tax laws. The federal estate tax exemption was increased (due to the inflation adjustments included in the tax laws) from \$5,340,000 last year to \$5,430,000 in 2015.

The federal gift tax laws also remain unchanged. The Annual Gift Tax Exclusion (i.e. the amount you can gift in a calendar year free from gift tax) is still \$14,000 per beneficiary each calendar year. Married couples can gift up to \$28,000 per calendar year per beneficiary.

You will recall the Ohio estate tax was repealed in 2013. This eliminated a 5% to 7% tax on all assets over \$338,334. It also has reduced the amount of time it typically takes us to settle an estate.



Getting Ready to Move Soon?

If so, please do not forget to let us know what your new address is so we can keep our records current. If you are getting ready to move, but have not yet sold your home, please let us know and we can assist with coordinating the preparation of a new deed.

Once you are settled in your new home, please call the office to set up a time to come in and sign a new Certificate of Trust referencing your new address.

Please Note:

Our new phone number is:

(216) 236-6480

Our new fax number is:

(216) 236-6484



Lessons Learned from Robin Williams' Estate

If you have been following the news of late, you may have noticed a story about a fight occurring between the children of the late comedian Robin Williams and his surviving spouse Susan Schneider Williams. There are a number of important lessons we can learn from this public and unfortunate turn of events.

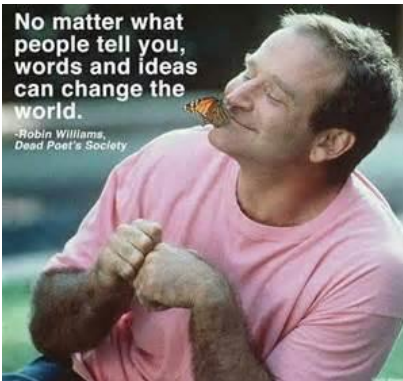
First, for those with children from a prior marriage or relationship, the issue of setting realistic expectations as to how your estate will be divided after death is paramount. In Robin Williams' situation, he was married three times, had a son from his first marriage, a son and daughter from his second marriage, and was married to his third wife for 3 years prior to his death. At issue is the division of his "stuff" – that's right, the "stuff" we have been preaching about for years! Documents filed with the court indicate there is a missed expectation as to what items of sentimental value Robin intended to have pass to his children and which assets are to pass to his surviving spouse.

What complicates the situation is that Mr. Williams trust provided that the marital residence and the non-sentimental furnishings and personal belongings were to pass to his wife Susan. What is unclear is what exactly constitutes “non-sentimental”.



Had Mr. Williams taken the time to review his estate plan with his children and his wife prior to his death, his family would have had a more clear expectation as to what they each would receive. Too often, we see similar situations where expectations are not communicated during lifetime, which results in missed expectations after death. This is especially true when there are children from prior marriages or relationships.

Additionally, such a meeting would also have given each of Mr. Williams’ family members the opportunity to communicate a desire to receive various items. Too often Joe and I talk with clients about how to distribute the “stuff” and we hear a common response of “I’m not worried, they’ll work it out”. Perhaps that will be the case. But is this an issue that should be left to chance?



It has been our experience that when a parent talks with their children about the distribution of “special stuff”, the children often respond with the same response “Don’t worry, we’ll work it out”. If you are planning on talking with your children about the division of special stuff, expect to receive this polite response from your children. We encourage you not to be deterred by these types of comments. Simply explain “I’m sure you will work these issues just fine, especially if we take a little time now to make certain there are no missed expectations”.

Those clients who have had this discussion with their children often comment they were surprised at some of the items their children had a sentimental attachment to. The grieving process affects each of us differently - sometimes working through a grieving process causes people to be hypersensitive to issues they would otherwise not have a strong opinion about. By having proactive discussions today, many of these types of problems can be avoided.

The one issue not being reported in the court papers or the media is what the legal fees have been to resolve this dispute. From the documentation filed with the court, it appears this matter is far from settled and astronomically high legal fees will surely follow. Joe and I struggle to understand what difference it makes if a large percentage of an estate is paid for probate services, estate taxes – or for legal fees to resolve disputes. The reality is the estate lawyers will become an unintended heir to Mr. Williams’ estate.

Resorting to the courts to resolve disputes is certainly one option for resolving family disputes – albeit an expensive one. To prevent the legal process from becoming the first choice for dispute resolution, we are developing strategic alliances with local family therapists/counselors who, on a case by case basis, we can call upon to serve as a counselor to the family. Our goal is to be able to resolve these types of disputes informally without the publicity, expense and delay of a formal court process.

An additional concern is the loss of privacy surrounding the terms contained in Robin Williams’ trust. You may be asking yourself why it is all of this information is now public when a trust is supposed to be private. It’s a fair question and one I asked too. As it turns out, Robin Williams named two individuals to serve as co-Trustees upon his demise. Unfortunately, one of the co-Trustees predeceased Robin Williams and the trust document failed to name a backup trustee. It was this vacancy in the trusteeship that gave the Probate

Court jurisdiction. Indeed no trust ever fails for lack of a trustee. Rather the local Probate Court gains jurisdiction of the trust and appoints a successor trustee.

This is not an issue for our clients as we have included provisions in each of your trusts which establish a process outside of court for the appointment of a replacement trustee. What is surprising is the attorney who drafted the estate plan did not provide such a protection within the trust document.

It is always interesting to see stories of famous people who have died and how they planned their estates. Yet Robin Williams' story is compelling since the problems being faced all could have been avoided by proper planning. As Robin Williams' said in his Academy Award winning performance in *Dead Poet's Society* – "Carpe Diem" (or Seize the Day). We simply need to take action!

King's Hawaiian Ham Sliders

Ingredients

- 1 pound Deli ham shaved
- 1 pound Swiss cheese thinly sliced
- 1 1/2 sticks Butter
- 1 1/2 tablespoons Dijon mustard
- 1 1/2 teaspoons Worcestershire sauce
- 1 1/2 teaspoons Minced onion dried
- 1 12-pack KING'S HAWAIIAN Original Hawaiian Sweet Dinner Rolls



Preparation

First, melt the butter and mix in the mustard, sauce and onion. Then cut the entire pack of rolls in half, horizontally (keeping all top and bottom halves separately in tact). In a 9x13 inch pan, place bottom half of rolls and cover with ham and cheese. Cover the ham and cheese stacks with the top half of the rolls. Drizzle the butter mixture over the top of the rolls, making sure the onion is evenly distributed. Finally, refrigerate overnight. Bake uncovered at 350 degrees for 15-20 minutes and, once finished, separate for serving.

Funding a New Asset

If you are opening a new account, qualified plan, life insurance policy, or other financial asset, don't forget to review the Funding at a Glance™ resource for directions on how to take ownership. You will find this resource in your blue LifeDesign™ portfolio behind the tab called "Funding".

Recommended Reading List

Did you know there is a recommended reading list on the Client's Only page of our website (www.LifeDesignLaw.com). There are currently 17 books posted which may be of interest to you. We have also included a link to *The Dash* video we shared at the Annual Client Meetings this past spring.