

February, 2016



## Looking Ahead to Exciting Changes in 2016!

Greetings clients and friends! I hope 2016 is off to a great start for each of you. I wanted to take a few minutes to preview some of the exciting things we are working on.

Joe Ferraro and I have been in active development on the new Wealth Reception™ counseling options. As you may recall, Wealth Reception™ looks at estate planning from the perspective of the person receiving inherited wealth.



We have identified some concerning trends with how quickly beneficiaries spend (or lose) their inheritance. To this end, we have developed a number of new counseling strategies that are designed to better prepare the beneficiaries to be a good steward of the wealth they receive. Joe and I will be previewing these strategies at the upcoming Annual Client Meetings this spring and each of you will have the opportunity to include as many of these planning strategies as you like.

We have also been working on developing a new maintenance program for beneficiaries that opt to retain their inheritance in a lifetime protected trust share. Maintaining an inheritance in a lifetime protected trust share protects the inherited assets from being attached by creditors or in a divorce. It can also provide bloodline protection to ensure assets pass to future generations. It has been our experience that the majority of beneficiaries will opt to retain their inheritance in a protected trust share when they are given the opportunity.

One of the frequent requests we have received from beneficiaries is to implement a formal maintenance program so they can keep the language in their trust share updated to meet current legal requirements, as well as to receive ongoing education to ensure their inheritance continues to receive the desired protections. Joe and I will be unveiling this new program at the Annual Client Meetings along with the Wealth Reception™ counseling strategies.

As we move forward with so many exciting new changes, I of course welcome your feedback and suggestions on ways we can continue to improve our professional services. Please accept my gratitude for the continued trust and confidence you have placed in each of us!

Peace and blessings in the coming year!

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## 2016 What To Do Workshop™ Schedule

Our What To Do Workshop™ provides clients and the people they have named to assist with winding down their affairs, a practical overview of what things to do, as well as, what not to do when a loved one is mentally disabled or upon their demise. If you have never attended or if it's been five years or more since you attended, make it a goal to join us this year. Our workshops will be held on:

- Wednesday, March 9 from 6:00 to 8:30 pm
- Wednesday, July 20 from 1:00 to 3:30 pm
- Wednesday, November 23 from 10:00 a.m. – 12:30 pm

## Organ and Tissue Donation... Frequently Asked Questions!

*From the desk of Joe Ferraro*

In 2002, Ohio established the Ohio Donor Registry, which is maintained by the Ohio Department of Motor Vehicles. By becoming a registrant, you authorize your organs and tissue, if usable, to be recovered upon your death. Under Ohio law, there are four categories of authorized uses for anatomical gifts—(1) transplantation; (2) therapy; (3) research; and (4) education. As an organ donor, you have the right to authorize all or some of these uses and what organs and tissues may be removed.

### Am I currently an organ donor?

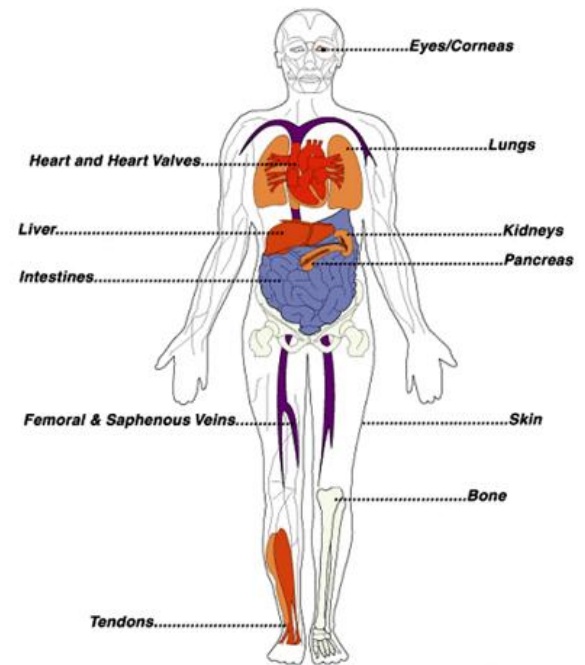
You can check to see if you are currently in the Ohio Donor Registry by looking at your driver's license or state identification card—there will be a small icon on the bottom right corner if you are in the registry. You may also check online at [www.bmv.ohio.gov](http://www.bmv.ohio.gov).

### Should I become an organ donor?

Choosing to become an organ donor is a very personal decision that may be influenced by all types of different factors, including personal experience with other family members or friends, religion or culture, or prevailing misconceptions or unfamiliarity with the organ donation process. Some may wish to be an organ donor, but only for the purpose of transplantation and therapy. Other individuals have opted to donate their entire body for the purpose of research and education—which needs to be done directly with the research institution.

Currently, there are over 100,000 people in the U.S. waiting for an organ transplant, and over 3,400 in Ohio. Unfortunately, there are not enough organ donors to meet the high demand and 18 people die each day while waiting for an organ or tissue donation.

## Organs & Tissues for Donation



New York Organ Donor Network

### How do I register as a donor in Ohio?

There are three ways to amend your registration or be removed from the Ohio Donor Registry:

- (1) Online at [www.bmv.ohio.gov](http://www.bmv.ohio.gov);
- (2) Mailing a completed Donor Registry Enrollment form to the Ohio BMV; or
- (3) At the BMV when you receive or renew your driver license or state ID.

### What organs and tissues can be donated?

Organs that can be donated include the heart, lungs, liver, kidneys, pancreas, and small intestine. Tissues that can be donated include skin, bone, ligaments, tendons, fascia, veins, nerves, heart valves, and corneas.



### Am I too old to be an organ donor?

No. You are never too old to be considered for organ donation. According to *Donate Life Ohio*, the oldest donor to date donated a liver at the time of her death was 92!

### Do my preexisting medical conditions prevent me from being an organ donor?

Not necessarily. Very few medical conditions automatically disqualify someone from being an organ donor. Many times, even though certain organs or tissue may not be suitable for donation, others might be. A review of medical history is conducted at the time of death to determine eligibility.

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### Will my identity be given to donation recipients?

No. All of the information regarding the identity of the donor and location of the organ or tissue removal are kept confidential. However, both the donor's family and the recipient can sign waivers to exchange identities, but this must be initiated by both parties.

### What is the process for removing organs after a donor dies?

Generally, the process begins when the hospital notifies the donor recovery organization that there has been a death. A determination is made by the recovery organization as to whether or not the organs are suitable for removal. If there are organs and tissue that are recoverable, the organization will check to see if the decedent is in the Ohio Donor Registry. If they are not included in the registry, they may obtain consent from the family of the decedent. The recovery is performed by a qualified surgeon in a way that does not disfigure the body or change its appearance from what it may look like in the casket. After recovery, the body is released to either the coroner or funeral home, depending on the circumstances of the death.

### How are organs matched to recipients?

A national waiting list contains recipient information including body size, blood type, medical urgency, length of time spent on the waiting list, and geographic location. All of these are factors considered when identifying the recipient of an anatomical gift.

If you have any questions regarding organ and tissue donation, helpful resources can be found at [www.donatelifehio.org](http://www.donatelifehio.org).



## Client Advisory Board

Thank you to those clients who serve on our volunteer Client Advisory Board. This Board is integral to giving us feedback from a client's perspective about our practice. With their help and commitment, we learn how we can continually improve our practice. Our semi-annual meetings for 2016 are scheduled on:

- Monday, May 9<sup>th</sup> from 1:00 – 4:00 pm
- Monday, October 10<sup>th</sup> from 1:00 – 4:00 pm



## 2016 Federal Tax Law Update

*From the Desk of Doston Jones, Esq.*



With the new calendar year came some good news about federal estate taxes! The applicable exemption amount for federal estate tax purposes (i.e., the “coupon amount”) has increased from \$5.43 million to \$5.45 million in 2016.

Therefore, married couples with proper estate planning may transfer up to \$10.9 million of assets, free of federal estate taxes during their joint lifetimes or at death.

The federal estate tax rate remains unchanged at forty percent (40%). This 40% tax rate also applies to the Annual Gift Tax Exclusion, which remains at \$14,000 in 2016. This is the amount a person can give away each calendar year, to any one individual, without incurring a gift tax.

Even though the federal estate tax does not affect very many people, some families accidentally slip into it. Keep in mind that this is a tax on *all* assets you own at death. This includes IRAs, 401ks, and other retirement plans, in addition to your home, bank accounts, stocks, etc. Also, it includes the death benefit of life insurance that you own at death.

As a reminder, a deceased spouse's unused estate tax exclusion (i.e., their “coupon”), may be used by the surviving spouse, a provision known as “portability.” A federal estate tax return must be filed upon the death of the first spouse if portability is intended to be used by the surviving spouse. Portability of the unused “coupon amount” can be a useful strategy for married couples who desire to avoid or minimize federal estate taxes.

We will be providing an overview of these changes at this year's Annual Client Meetings. I am looking forward to seeing all of you at one of those upcoming programs!



## Attention! Series EE U.S. Savings Bonds bought in 1986 are maturing this year!

*By Maggie Dellinger, Trust Funding Coordinator*

Remember back in 1986 when higher interest rates had many people investing in savings bonds? Nearly \$12 billion was spent that year by people looking for a secure investment with a respectable rate of return. Perhaps you were the recipient or the giver of bonds marking a birthday, graduation, or some other special event.



This year marks the 30 year anniversary, i.e. Maturity Date, of EE bonds. They will stop earning interest as they mature on various months throughout this year. We encourage you to look through those old shoe boxes, your safe deposit box, or other places you might have hidden and forgotten bonds. Should you find bonds that you intend to retain, always make certain they are titled in the name of your trust!

Here's the Kicker...You will **NOT** receive any notice your bond is maturing, nor will the bonds be automatically redeemed. It's totally up to you to keep track! As of October, 2015, more than 12.5 million Series EE savings bonds issued in 1986 were outstanding. Perhaps you are one of the many people who are sitting on "forgotten" money!

One point of interest - as of January 1, 2012, paper savings bonds were no longer being sold and one could only obtain an electronic bond. Those of you who have recently gone through initial funding are aware of this because you had to open an online account with TreasuryDirect when you retitled your bonds to your trust.

Finally, don't forget that cashing in your bonds is likely going to create some taxable income. If you work with a Financial Advisor you may want to contact them to explore ways to reduce the income taxes. If you don't have a Financial Advisor and would like a recommendation, please call the office and speak with Scott or Joe.

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## Do You Have an Account With Ameriprise?

We have been notified by a number of clients and Ameriprise financial advisors that Ameriprise is updating their records for all investors that own assets in the name of a living trust. Part of this review includes filling out an updated Certificate of Trust.

If your Ameriprise advisor sends you their standard Ameriprise Certificate of Trust, please contact our office for assistance in completing the form. There are a number of questions on the form that may be difficult to identify what information is being requested. One of the attorneys will be happy to assist you!



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## Are You Connecting with the Client Connections™?

If you requested to receive our newsletter electronically but have not been receiving it, please contact Pat McCrea at [Pat@LifeDesignLaw.com](mailto:Pat@LifeDesignLaw.com) or (216) 236-6480 (x108). We may have an outdated email address for you or perhaps you just want to cut down on your paper mail.

# 2016 Homestead Exemption Update

## Continuing Application for Homestead Exemption

File with the county auditor no later than the first Monday in June only if changes in your eligibility status have occurred.

To be completed by the county auditor prior to mailing:

County \_\_\_\_\_ Tax year \_\_\_\_\_  Real property  Manufactured or mobile home

Taxing district and parcel or registration number \_\_\_\_\_

Owner(s) as shown on the tax list \_\_\_\_\_

Homestead address \_\_\_\_\_

If you received this form from your county auditor's office it is because you have previously qualified to receive a reduction in the assessed value of your real estate for property tax purposes.

The form can be confusing as you do not need to return this form to the county auditor's office UNLESS there has been a change from the prior year. If none of the various situations listed on the form apply, you do not need to take any action.

As a reminder, the Ohio Homestead exemption is available to senior citizens and people that are permanently and totally disabled. Until 2014, all senior citizens age 65 and over qualified for the homestead exemption. Beginning in tax year 2014 and beyond, a means test was added to qualify for the exemption. For tax year 2016 the maximum amount of income a person can have without losing their eligibility was increased from \$31,000 to \$31,500.



If you previously qualified for the homestead exemption prior to 2014, you are not subject to the new means test and are "grandfathered" under the old laws.

Many people do not realize if you are currently receiving a homestead exemption on your property and you subsequently move (for example downsize to a smaller house) you may transfer your homestead exemption to your new residence. Additionally, if your spouse qualified for the homestead exemption and is now deceased, as a surviving spouse you will qualify for the homestead exemption so long as you are over age 59.

Finally, owning your home in the name of your living trust does not impact your ability to qualify for the homestead exemption so long as your trust contains specific language required under Ohio law. As you would expect, all of our trust documents contain the appropriate language to qualify for the homestead exemption.

You are welcome to contact our office if you have any questions or need assistance in completing the form.



## Meet and Greet Wine Tastings

One of the most frequent questions we receive from our clients is, “I gave your name to my brother/parent/co-worker/neighbor etc. and was wondering if they ever reached out to you.” More often than not, the answer is, “No, we have not heard from them.” We realize that lawyers can sometimes be intimidating and scary people – although we like to think neither, Joe, Doston, or Scott fit into that description!

So, we have decided to try something new this year called a “Meet and Greet.” These events will be held at our office on Tuesday, March 15, and again on Tuesday, April 12, from 6:30 to 8:00 p.m. These informal gatherings will include a guest presenter who will lead a discussion on wine tasting accompanied with wine to sample. We will also have some hot appetizers that will be paired to the wines being sampled. At the conclusion of the presentation, Joe, Doston and Scott will take about 15 minutes to give a very short overview of our practice.

All clients are welcome to attend with a guest they think would be interested in meeting us or learning more about what we do. We thought this would be a fun, yet casual opportunity for prospective clients to get to meet us.

If you are interested in attending either of these events, please call Pat McCrea to reserve your seat. Due to the space limitations of our learning center we will be limiting each event to 18 people. If these programs are well received, we will likely schedule some additional Meet and Greets later in the year.

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## March is Asset Review Report Month!

It is that time of year again when you update your Asset Review Reports. For most of us, this is probably not the most exciting project you will undertake this year! Having said this, maintaining an updated Asset Review Report with our office will greatly reduce the amount of time it takes to wind down affairs after the death of a client. Additionally, it helps us to ensure that all of your assets (including newly acquired assets) are properly funded to your living trust so that it avoids the probate process on both disability and death.



As a reminder, Asset Review Reports should be returned to our office no later than March 31<sup>st</sup>, 2016. Additionally, we have been conducting random audits on all of our clients funding documentation.

In some situations our records note an asset is funded but we are not able to locate documentation to support how the asset is owned. Should this apply to you, we have included a note on your Asset Review Report requesting that you submit some additional documentation on a particular asset to establish it is properly funded. If you find you have such a request on your Asset Review Report, we would greatly appreciate your help by returning the requested documentation to our office.

If you have questions or need assistance, please do not hesitate to contact us directly. We would be happy to lend any assistance we can! As always, updated Asset Reports will be distributed at the Annual Client Meetings in the spring.

## Settlement Simplification

There is nothing more stress filled than losing a loved one. A few years ago at the Annual Client Meetings we asked each group of clients to help us build a list of things “we” (meaning you the client and us the law firm) can do to help make the process of winding down affairs (also known as estate settlement) easier on the people we love the most. The list was most impressive and insightful and worthy of sharing again!



- ✓ Let law firm & family know of any outstanding loans you have made;
- ✓ Tell your *helpers* where to locate the red book and the blue book, as well as your passwords for online accounts, your username, combinations to a safe, which institution holds your safe deposit box and where the keys are;
- ✓ Let helpers know if you are making regular gifts and if they should continue if you are disabled;
- ✓ Explain Docubank® to your health care helpers - tell them where your card is located;
- ✓ Contact the law firm before doing anything after the death of a loved one;
- ✓ Fill in your Instructions for Final Arrangements and let your helpers know of its existence (i.e. in the blue book);
- ✓ Urge your helpers to attend a What to Do Workshop™ or watch it online;
- ✓ Have a pre-paid funeral plan/cemetery plots and let helpers know where papers are for these items;
- ✓ Clean up the “clutter”;
- ✓ Let helpers (and law firm) know of any loved one that will need assistance after your demise-whether physical or mental disability;
- ✓ Go over your affairs with your helper and identify where important legal documents (i.e. deed to house, life insurance policies, stock certificates, etc.) can be found;
- ✓ Prepare an “emergency action card” for your helper with detailed steps they should follow if something should happen to you (hint – this is distributed at the What to Do™ workshops!);
- ✓ Complete the Special Stuff list so household furnishings are distributed to the appropriate people (call the law firm for a Special Stuff worksheet);

### The top four suggestions from the law firm include:

Review, complete and return your Asset Review Report to our office each year in the spring and continue to keep us updated on your financial situation and new assets you acquire;

Consolidate assets! This will significantly cut down on the amount of time spent winding down affairs and will save both time, costs and headaches;

Have your helpers attend a What to Do™ workshop every 5 years! Working with a trustee who has attended a workshop will significantly ease the burden on your loved ones. Please contact our office to register your helpers for one of our upcoming What to Do™ workshops.

Last but not least, have your helper contact the law firm before doing anything upon the death of a loved one and schedule a settlement conference.





## Is Your Safe Deposit Box Properly Titled to Your Trust?



Traditionally, safe deposit boxes were not funded. This was in part because the box was rented, rather than owned by the client. Thus the box was not considered a fundable asset. Additionally, many (if not most) financial institutions historically would not allow a safe deposit box to be rented in the name of a living trust. Over the past few years, an increasing number of financial institutions are allowing safe deposit boxes to be titled in the name of a living trust.

We recently heard of someone outside our client family, whose spouse opened a safe deposit box in his own name. The spouse had signed a signature card and had access to the contents of the box while the husband was alive. However, upon the death of the husband, the box was sealed because the husband was the sole owner. Unfortunately, the spouse was unable to gain access to important papers which had been stored in the box, until the box was probated.

If you've had a safe deposit box for years, it may not be titled to your trust and you could unwittingly find yourself in this same situation. We encourage you to check with your branch to see if it can be retitled to your trust or contact us and we can do this on your behalf.

## 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!

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

### New Client Workshop Dates:

*Tuesday, March 1, 1:00 to 4:00*

*Tuesday, April 5, 9:30 to 12:30*

*Tuesday, May 3, 1:00 to 4:00*



Sunday, March 13, 2016

Be sure to check your smoke alarm batteries and fire extinguishers!

*Don't forget to register for this year's Annual Client Meetings. Registration is easy! You may call the office (216) 236-6480 or you may register on line at [www.LifeDesignLaw.com](http://www.LifeDesignLaw.com) Client's Page*

## Invite a Guest to Attend the Annual Client Meetings

We have received a number of inquiries from both financial advisors and CPA's asking if they could attend an Annual Client Meeting, as well as clients asking if they could bring a friend with them.

We would love for you to invite a guest! We have found this to be a great way for potential clients to experience firsthand what we do. It is also a great way for our colleagues in the financial or tax world to stay current with changes in estate planning laws.



Please be sure to let us know if you are bringing a guest to your Annual Client Meeting when you call in your registration so we are sure to have sufficient handouts for them.

## “Not Cho” Typical Appetizer!

Here's a quick and easy recipe for Chicken Nachos - perfect for any party.

Prep: 5 Minutes Level: Easy

Cook: 20 Minutes Serves: 12

- 4 whole Boneless, Skinless Chicken Breasts
- 2 Tablespoons Taco Seasoning
- 2 Tablespoons Chili Powder
- Salt As Needed
- 1/4 cup Olive Oil
- 1 can (8 Ounces) Tomato Sauce
- 2 cups Hot Water
- Several Dashes Hot Sauce
- Good Tortilla Chips
- Cheddar Jack Cheese, Freshly Grated
- Optional: Pico De Gallo, Sour Cream, Sliced Black Olives, Sliced Green Onions, Cilantro Leaves, Guacamole, Etc.



### INSTRUCTIONS:

- Sprinkle both sides of the chicken breasts with the taco seasoning and chili powder. Rub in the seasoning as much as you can.
- Heat the olive oil in a heavy skillet over medium heat. Cook the chicken breasts on both sides until deep golden and totally done in the middle, about 4 minutes per side. Remove from the skillet and let rest for a few minutes.
- Whisk in the tomato sauce and the hot water (plus the hot sauce) and bring to a gentle boil. Reduce the heat to low and keep warm. Taste and adjust seasonings (may need salt, depending on the taco seasoning you use.)
- Shred the chicken with 2 forks and transfer the shredded chicken to the sauce. Toss to coat it in the sauce and allow to simmer for a few minutes.
- To build the nachos, build several layers of chips, cheese, and chicken, ending with a small layer of cheese on top. Microwave the dish (or put it in a 350 degree oven if ovenproof) until the cheese is totally melted.

Serve as is or add whatever extras you'd like! Dive into it immediately.