



Fall 2012

CHUBB REPORT

Getting Your 'Ducks In A Row' For National Estate Planning Awareness Week *by Heather Chubb*



What do the words "wills", "trusts," "estates," and "health care directives" mean to you? Do you envision useful tools that help you protect your family and your wishes if death or incapacity strikes? Or do you

brush off these terms believing they are only important for the super-rich or elderly?

October 19th-25th marks National Estate Planning Awareness Week, which is a key reminder of just how important estate planning is for everyone. Whether you are a 20-something new parent just starting out, a wealthy entrepreneur or a senior citizen relying on others for long-term care, estate planning provides a solid legal foundation for protecting your family, your financial security, your wishes and your independence through all of life's transitions. Let's take a look at:

Your Family: If you have minor children, estate planning allows you to appoint the people you want to raise them in the event of your unexpected death or incapacity. Using trusts, you can protect minor children, and even adult children, who may not be prepared to receive a large sum of money after you die. Tools such as health care directives and powers of attorney can make it easier for your family to manage your medical and financial affairs during a health care crisis. Not to mention, estate planning can help shield your loved ones from unnecessary court/legal fees, taxes, strife and family feuds during an emotional time of crisis or loss.

Your Finances- Whether you have a billion-dollar estate or a simple home and a modest savings account, estate planning can help ensure more of your money goes to your family and not the government after your passing. Proper estate planning can also help senior citizens and baby boomers qualify for Medical and additional VA Pension Benefits for health care without becoming impoverished or "spending down" everything they own.

Many professionals such as physicians and contractors also look to estate planning to shield their personal assets from lawsuits, creditors and other risks associated with their occupations.

Your wishes- Do you have assets you wish to leave to certain people? Are you in a non-traditional relationship or blended family and want to ensure your loved ones are taken care of and share in your inheritance after you are gone? Is there someone you trust to make important medical or financial decisions on your behalf if you are unable to do so? Without an estate plan in place, all of these personal decisions will be made by the courts if the unthinkable happens. This is why estate planning is such an important strategy in making sure your wishes are known **and honored** if tragedy strikes.

Your Independence- With a solid estate plan in place, you no longer have to fear aging and whether or not you'll become a burden to your kids during the golden years. Instead, tools such as living trusts, powers of attorneys, insurance policies and health care directives can help you fund your future care needs and carefully design the life and independence you wish to enjoy during your later years.

Be More Than Aware—Take ACTION!

While National Estate Planning Awareness Week is a wonderful observance to help more people become aware of estate planning and its role in helping you protect your financial future and the people you love—**the information is useless if you don't take action!**

Estate planning is one of those time-sensitive and critical things that must be taken care of as soon as possible. If an unexpected illness or accident happens, you may find many of the planning options once available to you are suddenly gone and your hard-earned money is now exposed to the government, creditors and medical facilities during a crisis.

As a thank you for your service, let us legally help you make your medical wishes known....

FREE HEALTHCARE DIRECTIVES FOR HEROES

WHERE:

**The Chubb Law Firm
8920 Sunset Avenue, Suite E
Fair Oaks, CA**

WHEN:

**November 12—November 15
Time: 9:00 a.m.— 2:00 p.m.
*No appointment necessary***

In honor of Veterans Day, the attorneys and staff at The Chubb Law Firm will be offering **FREE healthcare directives (a \$300 value).**

Veterans, active duty and retired service members and other local heroes such as police, firefighters and first responders are invited to visit the firm to legally document their medical/ end-of-life wishes and nominate the people they trust to manage their affairs in an emergency.

There are no obligations, no strings attached and zero requirement to purchase legal services! We simply want to offer our services as a **THANK YOU** for yours.

BONUS VETERANS DAY GIFT!

Local heroes will also receive our “Personal Affairs Organizer” to help loved ones know where to find your DD214, key legal documents, insurance cards and other information related to your medical treatment and ongoing care in an emergency.



Please Join Me . . .

Uncover the VA's Best Kept Secret— Aid & Attendance Pension

Presented by Heather Chubb, VA Accredited Attorney

The Aid and Attendance Pension is often referred to as the "**VA's Best Kept Secret.**" This 3-tiered tax-free benefit is available for wartime veterans and their spouses who need financial assistance or simply need help covering the costs associated with long-term care or unreimbursed medical expenses.

These critical benefits are overlooked by many families with Veterans or surviving spouses.... Because the VA is not required to tell you if you qualify!

**What would you do with up to \$24,228 per year?
Could you finally get the medical and personal care
that you deserve?**

DO NOT disqualify yourself based on what you've read or heard in the past. Never assume you are not eligible!

During this workshop you will discover:

- ◆ A little known or understood benefit from the VA that provides tax-free income for wartime vets to pay for your (or your spouse's) care
- ◆ How to use your VA pension benefits to pay a family member to provide you with in-home care
- ◆ How to get the VA benefits you are entitled to, even if you have "too much income" or "too many assets" to qualify
- ◆ Why the \$80,000 asset limit really doesn't exist
- ◆ How your IRA and other retirement accounts can affect eligibility for VA benefits, and what to do about it
- ◆ How one wrong move when applying for VA benefits can put your future Medi-Cal benefits at risk

November 1 3:00 pm **The Chubb Law Firm**
8920 Sunset Ave, Ste E
Fair Oaks, CA

November 1 7:00 pm **Teleseminar**—the comfort
of your livingroom

November 13 7:00 pm **Emeritus at Hazel Creek**
6125 Hazel Avenue
Orangevale, CA

To register go to www.SacramentoVeteranAid.com
Or call 916-241-9661.

The events are free, but seating is limited.
RSPVs are required.

Federal Tax Laws Are Changing And Your Estate May Be At Risk

Key legislation is set to expire at the end of this year which may put your estate at risk for **up to 55%** in "death taxes" after your passing.

Preparing now for changes to estate tax laws is critical for high-net worth individuals, but also for middle-class families, too. Here's why:

- If Congress fails to act, the estate tax will revert from a \$5 million exemption to \$1 million on January 1, 2013. This means if your estate is worth over \$1 million at your passing, your family may be on the hook for *significant* taxes up to 55%.
- For many people, when you add up the value of your home, life insurance policies, retirement accounts, investments and assets, \$1 million is often much closer than you think.
- The payment is due in cash just 9 months after you die (or the 2nd spouse dies if you are married), often forcing loved ones to sell assets quickly at depressed market or "fire sale" prices to satisfy the bill.
- **There's a very real chance that up to half of the inheritance you worked so hard to leave your family will go to Uncle Sam.**

The good news is the estate or "death tax" is entirely voluntary and there are steps you can take right now to minimize your exposure.

One such strategy is to utilize the lifetime gift tax exemption, which is also set to expire at the end of the year. This law allows you to remove up to \$5.12 million (or \$10.2 million for married couples) out of your "taxable estate" by gifting it now to future generations. On December 31st at midnight, the exemption amount significantly drops to \$1 million. Planning strategies can be used to meet these gifting requirements in such a way which still gives you continued access to your assets and income when you need it.

Other actions may be needed based upon your personal and financial situation, as well as the current planning you already have in place.

But for now, if your net worth exceeds \$1 million (or \$2 million for married couples), please call the office to schedule a complimentary plan review. It's important for us to go over your current documents in detail and determine exactly how you may be affected by these changes to the law and the best actions to take.

While the future of the estate and gift tax is unclear, the President recently asked Congress to reduce the gift tax exemption to \$1 million, with many politicians on both sides of the aisle supporting this recommendation due to the nature of the economy. For your legacy and family's sake, do not place your financial security in the hands of a politician!



The Chubb Law Firm

8920 Sunset Avenue, Suite E
Fair Oaks, CA 95628
916.241.9661

INSIDE THIS ISSUE:

| | |
|------------------------------|---|
| Nat'l Estate Planning Week | 1 |
| Veterans' Day Thank You | 2 |
| Events | 3 |
| Tax Changes You Need to Know | 3 |



Wow! This year has flown by. I am blessed to have had the privilege of helping so many area families get their ducks in a row, but there is more work to do. Statistics show that 75% of Americans have no planning, not even a simple will. Why? If you can think of an excuse, I've heard it—from I'm too young, to I'm not wealthy, to I'll get around to it tomorrow. I know that getting an estate plan done is on many people's list, but it seems that it is so easy to push it down from the top—there's work, school, vacations and everything in between.

October 19-25 is National Estate Planning Awareness week so why not do something now? Getting your ducks in a row has never been easier.

If you or someone you know have been meaning to get your estate plan done, I have a special offer. Call my office during October to book your appointment and not only will your Peace of Mind Meeting be free, but you'll also receive a 20% discount on your planning fees—just mention you want our Estate planning week special! You'll feel better and your family will thank you.

November 11 is Veterans Day and I have a special 'thank you' to all our veterans and other local heroes. Check inside for details.

Finally, the ghosts and goblins—or rather in my house, the astronaut and Marine are getting ready for the candyfest known as Halloween. It's been fun listening to the kids come up with their costume ideas. But Halloween means the rest of the holidays are not far behind! I hope you have an enjoyable holiday season and create some lasting memories with your loved ones.

All my best,

Guiding You and Your Loved Ones Through All of Life's TransitionsSM

Families • Estates • Trusts • Children's Protection Planning • Veterans & Medi-Cal Planning • Probate • Trust Administration
— Visit us online at www.chubblawfirm.com and read the blog at www.sandwichedmom.com —