

Why Beneficiary Designations Are Important

Assigning and updating beneficiary designations for your retirement plans, life insurance policies, and annuities are tasks that are easily overlooked. While the process itself is usually pretty straightforward — putting someone's name on a form — the consequences of your choice can be fairly substantial.

Who to choose (and not choose) as beneficiaries

You can name any of the usual suspects as a beneficiary — your spouse, children, or other relatives. You can also name friends, trusts, charities, and even various institutions such as colleges, universities, or libraries.

There are some cases, however, in which it's best to take the additional step of setting up a trust.

Minor children or individuals with special needs should not be named as direct beneficiaries.

People who fall into these categories will most likely need guidance from a more experienced individual who can help them make financially sound decisions.

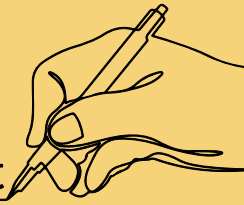
In addition, if they are direct beneficiaries, individuals with special needs who are receiving a government benefit such as Supplemental Security Income (SSI), risk losing that benefit if their inheritance makes them financially ineligible. It may be best to look into a special needs trust in this scenario.

When a young adult child (at somewhere between 18 and 21 years of age) inherits a large sum of money, it can end badly. A better solution might be to set up a lifetime trust that will help protect the assets by permitting a trustee to make distributions.

Other beneficiaries who consistently make irresponsible financial decisions should also not be named as direct beneficiaries and you should consider a trust for their benefit.

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Do Not Write Over Existing Documents



If there has been a change in your circumstances or needs you may wish to change your legal documents. But be advised, it is not a DIY job.

Talk with your attorney first as it may be possible that:

(1) your existing documents already make alternate provisions that would negate the need for amended documents; or

(2) writing on your own documents after the initial signing could potentially cause greater problems by later being deemed invalid.





4 Ways To Store Estate Planning Documents *Safely*

You've already done the hardest part – getting all your estate documents completed – so there is no time like the present to take the next simple step and store them safely.

When considering the best place to store estate planning documents like your Will, power of attorney, or health care directives, consider both:

- (1) safety of the storage mechanism; and
- (2) ease of accessibility in the event of an emergency.

You want to make certain that your vital documents can be accessed by appropriate and trusted people, especially if needed immediately.

Here are four storage options for original estate planning documents:

1. A fire-proof and flood-proof safe located in the home.

The safe should be difficult to move, be placed in a private area of your house, and have a combination lock or key.

2. Safe-deposit box at a bank.

These fire-proof metal boxes can be rented from a bank and are a very secure option for storage.

However, a safe-deposit box's contents can be difficult to access, especially if needed immediately, if you were to become incapacitated, or are not local to the bank where the box is.

3. Online storage.

Digital versions of your documents can be stored on a hard-drive, thumb drive or an online cloud storage system. But, keep in mind that some medical and financial institutions, and some states, may not accept electronic copies of estate planning documents, so it's still a good idea to have your original hard-copy, paper-signed documents stored in a safe place as well.

4. With your attorney.

Many estate planning law firms, including Czepiga Daly Pope & Perri, offer clients the option to have original estate planning documents stored at a secure location at the firm.

Whichever method of document storage you choose, just be sure that a member of your trusted circle is aware that they have been granted access to your estate planning documents and knows where to find and retrieve them.

Beneficiary Designations

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It's important to assign secondary or contingent beneficiaries in the event your primary beneficiary dies before you do. In such cases, if you failed to designate secondary beneficiaries, those assets will ordinarily pass through probate.

Keep your beneficiary designations up-to-date

Beneficiary designations are effective immediately after death, and they override instructions in a Will regarding the distribution of such assets. For this reason, it's very important to review your documents and keep them current.

Consider tax liabilities

While individuals are typically able to inherit from their spouses without having to worry about estate taxes or forced payouts, other heirs may need to be protected from such situations.

To avoid unintentionally putting undue financial burdens on your beneficiaries, it's a good idea to talk with them about your plans so that you can discuss any potential liabilities and how to avoid them.

Designating beneficiaries for important assets is not a difficult task, but one for which due diligence and careful consideration are warranted. Take the time to make sure you have all the bases covered so you and your heirs avoid potential negative consequences later on.

WHAT'S HAPPENING WITH US



Brendan Daly Completes CELA Recertification

We are pleased to announce that Attorney Brendan Daly has completed his third CELA* (Certified Elder Law Attorney) recertification this summer,

making his CELA certification now valid through 2028. Attorney Daly is one of only 10 CELAs in Connecticut and approximately 500 nationwide.

According to the National Elder Law Foundation, "the CELA certification is widely recognized as the gold standard for elder law and special needs practitioners."

**Certified as an Elder Law Attorney by the National Elder Law Foundation as approved by the American Bar Association. Recognition of this designation is not approved by the Rules Committee of the Superior Court.*

Madison Office Celebrates!

On July 11th, the Madison Chamber of Commerce helped celebrate our new Madison office with a ribbon-cutting ceremony.



Charting Your Course To A Perfect Retirement Destination

Selecting the perfect place to retire takes more than just dreaming. It's a process of self-discovery, research, prioritization, due diligence, exploration, and careful planning.

Here are 4 key considerations to absorb as you navigate through where you might want to live during retirement.

1. Lifestyle

- What are the things that you need to improve your quality of life?
- How important is it that you have access to nature, an active cultural scene, upscale shopping, educational opportunities, volunteer organizations, etc.?
- What are your must-have everyday amenities?
- Can your location, transportation and travel needs be accommodated?

- What weather do you prefer? And not just the kind of weather you prefer now, but also what you might prefer a few years down the road.

2. Family & Friends

- Proximity to family: How close is too close? How far is too far?
- Are there opportunities to forge new relationships?

3. Health & Safety

- How is the basic neighborhood safety?
- Is there quality health care available, including quality assisted living, nursing facilities, and other senior support services?
- What is the overall climate and frequency of natural disasters?

4. Finances

- What is the cost of living?



- What are the tax rates and the potential impact on your finances?
- Is there economic stability in the location?

There's a lot to consider when trying to select a retirement location, but the process can actually be a lot of fun. Ultimately, you will make your decision based on some combination of logic and emotion. At the end of the day, you are the only one who can find the perfect balance between those two influences and make a decision about where to have your happily ever after.