



The Wealth Advisor  
*Presented by*  
Wilson Law Group, LLC  
~Winter 2016~

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## How You Can Protect Inherited IRAs

The United States Supreme Court has determined that inherited IRAs are not protected from bankruptcy creditors. Although this development presents a serious risk for clients, it also presents a planning opportunity for financial advisors.

### How Protecting Inherited IRAs Benefits Financial Advisors

- If a retirement account is seized in a lawsuit, spent down on frivolities, or wrangled from a beneficiary by a predator, those assets leave your management. On the other hand, if assets remain protected in trust, they remain under your management for a lifetime.
- The change in law also provides a legitimate reason to contact your clients, review assets, and determine whether there are retirement accounts not yet under your management.
- And, when you spot a vulnerability, you provide more value and increase your clients' confidence in your relationship.
- The Standalone Retirement Trust is the solution because in the absence of any creditor problems now or in the future, it can assure the fullest application of the power of the stretch that your client's desire. In addition, you as a trusted advisor are in a position to continue providing management and advice to the beneficiaries.



## What Can be Done to Protect Inherited IRAs from Creditors?

By far the best option for protecting retirement accounts is to create a Standalone Retirement Trust (SRT) for the benefit of all of the intended beneficiaries. If properly drafted, this type of trust offers the following advantages:

- Protects the inherited retirement account from beneficiaries' creditors as well as predators and lawsuits
- Ensures that the inherited retirement account remains in the family bloodline and out of the hands of a beneficiary's spouse, or soon-to-be ex-spouse
- Allows for experienced investment management and oversight of the retirement account assets by a professional trustee
- Prevents the beneficiary from gambling away the inherited retirement account or blowing it all on exotic vacations, expensive jewelry, designer shoes, and fast cars
- Enables proper planning for a special needs beneficiary
- Permits minor beneficiaries such as grandchildren to be immediate beneficiaries of the inherited IRA without the need for a court-supervised guardianship
- Facilitates generation-skipping transfer tax planning to ensure that estate taxes are minimized or even eliminated at each generation

***Planning Tip:*** Additional value is created when provisions are made for the benefit of a spouse. This may be important for many reasons aside from creditor protection, including a second marriage with a blended family or, when coupled with disclaimer planning, for a spouse who eventually needs nursing home care and seeks to qualify for Medicaid. A layered retirement account beneficiary designation which includes a Standalone Retirement Trust and disclaimer planning can offer a great deal of flexibility for clients who want to ensure that their hard-saved retirement funds stay in their family's hands and out of the hands of creditors and predators.

## What about the "Stretch"?

Of course, even the best laid plans of a future beneficiary "never to touch" the inherited retirement account can go astray, the required minimum distribution of an inherited IRA or retirement plan actually begins as a very small percentage, but just a little bit extra taken from time to time will destroy the accumulation and tax deferral power.



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## The Bottom Line: Protecting Inherited Retirement Assets

Given the amount of wealth held inside retirement accounts, planners must become adept at helping their clients figure out who or what to name as the beneficiary of these assets. The change in law has amplified the need to become knowledgeable about the pros and cons of all of beneficiary choices for retirement assets.

SRTs are certainly not one-size-fits-all planning and can only be done on an individual, case-by-case basis. We are here to answer your questions about protecting beneficiaries of retirement accounts through Standalone Retirement Trusts, disclaimer planning, and layered beneficiary designations. Feel free to call with questions; we're always happy to help.



**WLG will be closed at 12:00 pm on Friday, March 25<sup>th</sup>  
in observance of Good Friday.**



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# RWay Workshops

## Our Second Symposium is Around the Corner!

Don't forget to sign-up for our RWay educational workshop symposiums.  
We will have these events in February and May.  
We look forward to seeing you there!

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**Location:** Clarion Suites at the Alliant Energy Center 2110 Rimrock Rd, Madison, WI 53713

### Symposium 2

Saturday, February 20, 2016

<b>8:30 a.m.</b> Funding Your Trust	<b>8:30 a.m.</b> LegalVault
Break	
<b>9:45 a.m.</b> Trustee Training: <i>Trust Process</i>	<b>9:45 a.m.</b> Planning for Long Term Care
Break	
<b>11:00 a.m.</b> Trustee Training: <i>Administration Process</i>	<b>11:00 a.m.</b> Pre-Planning Your Funeral

### Symposium 3

Saturday, May 21, 2016

<b>8:30 a.m.</b> Trustee Training: <i>The Trust Process</i>	<b>8:30 a.m.</b> Income Taxes for Trusts
Break	
<b>9:45 a.m.</b> Trustee Training: <i>Administration Process</i>	<b>9:45 a.m.</b> Leaving a Legacy
Break	
<b>11:00 a.m.</b> Funding Your Trust	<b>11:00 a.m.</b> LegalVault

*3 Ways to RSVP*

**Call for Registration**

608-833-4001

**Email**

[charly.hernandez@wilsonlawgroup.com](mailto:charly.hernandez@wilsonlawgroup.com)

**Our Website**

[www.wilsonlawgroup.com](http://www.wilsonlawgroup.com)

*(Seminars; For Clients Only; Register)*



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# Annual RWay Forum

April 4, 2016

## Nakoma Golf Club

5:00 – 5:45	Registration
5:45- 6:45	Dinner
6:30 – 7:45	Speakers
7:45 – 8:00	Closing Remarks & Door Prizes

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### A Presentation From Our Partners:

A brief review regarding our new format for this season

### Our Honored Guest Speaker:

**Dr. Brian Udermann**

**“Is Laughter Really the Best Medicine?”**

**Give yourself permission to laugh more.**

Brian Udermann is a health and motivational humorist and author. His passion is encouraging people to laugh a bit more, stress a bit less, and regain the healthy balance most people desire.

**\*RSVP:**

**Online:** [www.wilsonlawgroup.com](http://www.wilsonlawgroup.com)

**Telephone:** Charly Hernandez at 608-833-4001

**\*This event is open to all active RWay members  
who were unable to attend the event on October 5, 2015.**



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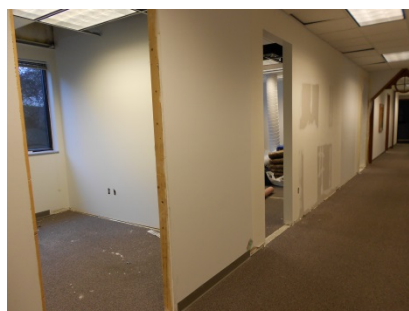
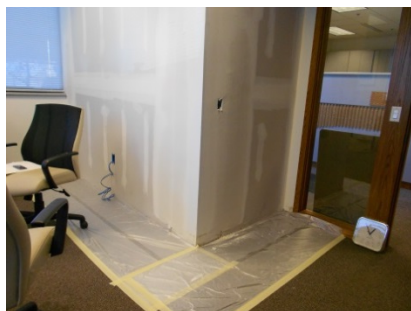
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# The Dust Is Being Swept Away...

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After 20 years, and months of renovations, we are so glad to finally reveal a fresh new look for the offices of Wilson Law Group! For the past couple of months, our offices have been re-arranged and refurbished. Our work areas and conference rooms have been updated and refreshed. We hope that the new warmth and coffee bar make you feel welcome and appreciated. We would like to thank all of those who were patient and gracious throughout this large undertaking.

## BEFORE:



## AFTER:



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# At the Heart of Valentine's Day

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With Valentine's Day right around the corner, we see hearts and roses, flowers and chocolates everywhere we turn. Many have become cynical of this over-commercialized holiday and participate reluctantly to appease those they care for. However, we may all do well to remember where this holiday originated.

In the days when ancient Rome was conquering the world with their intimidating battalions of well-trained soldiers, a decree was issued making it illegal for soldiers to marry. The belief was that a man who did not have the concerns and responsibilities of a home and family would be more likely to dedicate himself to the service of the Empire.



A young man of cloth, Valentinus, believed otherwise. He believed in the power of love; that a man who had the support and love of his family would be even more motivated to protect, honor and serve his country. He continued to secretly perform marriages even though the penalty was a charge of treason.

If we take a moment this Valentine's Day to remember what a wonderful gift the love of our family and friends is, we may find that the sweetness is not in the box of chocolates, but in sharing them with those we love.



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## 10 Wisconsin State Fun Facts



1. Wisconsin is the only state to offer a Master Cheesemaker program. It takes three years to complete, and you need 10 years of cheese making experience before you can even apply as a candidate.
2. The “Cheese Head” hat actually debuted at a Brewers’, not a Packers’, game. It was popularized by Brewers outfielder Rick Manning when a dugout photo of him wearing the now-iconic wedge appeared in the Milwaukee Journal Sentinel.
3. Wisconsin was the first to institute a statewide income tax. Thanks a bunch, guys.

4. Barbie, the improbably-proportioned doll of a million career and wardrobe changes, comes from the (fictional) town of Willows, Wisconsin.



5. The Iron Brigade, the bulk of which was made up of members of the 2nd, 6th and 7th Wisconsin Volunteer Infantry regiments, suffered the highest percentage of casualties of any brigade in the Civil War.
6. The battle cry “On Wisconsin!” was first uttered at the Civil War Battle of Missionary Ridge by then-lieutenant Arthur MacArthur, Jr., whose future little boy Dougie would grow up to be five-star General Douglas MacArthur.

7. Milwaukee newspaper editor and printer created the QWERTY keyboard
8. The first kindergarten classes in the U.S. were held in 1856 at the home of a German couple residing in Watertown.



9. Wisconsin is the only state to have the accordion as its state instrument. It was also, until 2011, the only state to have the polka as its official dance, until bandwagon-hopping Pennsylvania also rolled out the barrel.



10. If you're ever in Middleton, you can visit the (free!) National Mustard Museum and see a collection of 5,300 different types of mustard from more than 60 countries.

Source: <http://www.movoto.com/guide/wi/wisconsin-facts/>



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