

Worth Knowing

How to Protect Your Retirement Accounts

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Most people are shocked to learn that their retirement accounts can be seized once they pass to their loved ones. During your lifetime, your retirement funds have fairly comprehensive asset protection, meaning they cannot be taken in a lawsuit. Unfortunately, as soon as retirement accounts are inherited, the protection evaporates in most states. This means your hard-earned money can legally be snatched by your beneficiaries' creditors and the courts.

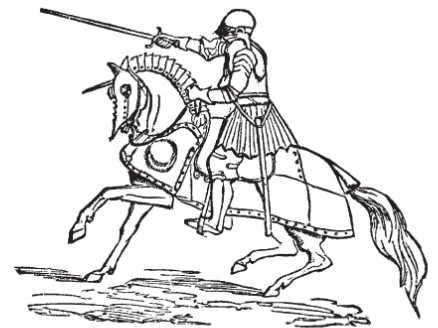
As estate planning attorneys, we constantly look for ways to protect our clients and their loved ones, as well as their money and property. That is why we suggest having a conversation about your retirement accounts so that together we can determine whether a retirement trust would make sense for you.

What Is a Standalone Retirement Trust and Why Might It Be Good for You?

A Standalone Retirement Trust (SRT) is a special type of trust designed to be the beneficiary of your qualified retirement accounts such as IRAs, 401(k)s, etc. During your lifetime, your ownership of and access to the accounts does not change. Upon your death, as long as you have properly named the SRT as the beneficiary on the appropriate beneficiary designation form, the trust will become the beneficiary, and the Trustee of the trust will be in charge of withdrawing and managing the money received from the inherited retirement account according to the terms laid out in the trust document.

The SRT is a popular planning tool because it:

- protects inherited retirement accounts from beneficiaries' creditors as well as predators and lawsuits;
- ensures retirement accounts go to whom you designate—and nobody else;
- allows for experienced management and oversight of funds by a professional Trustee;
- protects beneficiaries from reckless spending;
- enables proper planning for a special needs beneficiary;
- permits you to name minor beneficiaries as immediate beneficiaries without court-supervised guardianship; and
- facilitates generation-skipping transfer tax planning.



Divorce Creditor: A Common Example

Many parents are concerned that their in-laws may someday become the outlaws—that is, that their children may someday get divorced, and their children's inherited money and property will be seized by a divorcing spouse.

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Here is the story of Mary and Tom. Which outcome would you prefer for your children?

Option 1: Mary and Tom love their son-in-law, Mike, and think his marriage to their daughter Liz will last. They gave Liz her share of their retirement plans outright at their deaths. Five years later, Liz and Mike divorced and Mike was able to take 50 percent of Liz’s inherited retirement funds.

Option 2: Mary and Tom love their son-in-law, Mike, but recognize that 50 percent of all marriages end in divorce. It is an unfortunate reality, so when they did their estate planning, they provided for their children but made sure the inheritances could not be taken from them. Instead of outright distributions, they passed their retirement plans in trust. Five years later, Liz and Mike divorced, and Mike was not able to take any of Liz’s inheritance. Liz was able to use the funds in the trust to create a new beginning.



Already Have an SRT? Now Is the Time to Review It

Depending on the size of your retirement account or your specific family dynamics, you may have already addressed these concerns and had an SRT prepared to handle your retirement accounts at your death. However, in light of the SECURE Act, which was passed in December 2019 and became effective January 1, 2020, it would be wise to review the distribution instructions that were included in the SRT. An SRT is typically designed using either “conduit” or “accumulation” provisions. Under the old law, if the SRT had conduit provisions, the Trustee would typically withdraw the required minimum distribution (RMD) from the inherited retirement account on behalf of the trust beneficiary and would then be required to immediately give that money to the trust beneficiary. The benefit of this type of provision was that it guaranteed that the ultimate beneficiary was only receiving the bare minimum amount and would stretch the withdrawals from the inherited retirement account over the beneficiary’s lifetime.

However, because the SECURE Act did away with the lifetime stretch for most beneficiaries (with some exceptions^[1]), the conduit provisions may cause some unintended consequences. Now, most beneficiaries are required to withdraw the entire balance of the inherited retirement account by the end of the tenth year following the plan participant’s death. Therefore, a trust with conduit provisions requires the Trustee to give the entire account balance to the trust beneficiary within ten years of the account owner’s death, unless the beneficiary is an eligible designated beneficiary. While this means that your ultimate beneficiary cannot cash out the inherited retirement account immediately, the entire balance will be given to your beneficiary in about ten years after your death. If ten years is too soon for your beneficiary, it may be wise to consider changing your SRT to include accumulation provisions instead. With accumulation provisions, the Trustee can take any required distributions from the inherited retirement account and continue to hold them in a protected trust account for your beneficiary, making distributions according to the instructions you provide in the trust.

Want to know more about protecting your retirement accounts? Contact us today to schedule a conversation. While every situation is different, we can help you determine if an SRT is right for you. We are available for in-person and virtual appointments, whichever works best for you.

^[1] The SECURE Act outlines five classes of beneficiaries, referred to as eligible designated beneficiaries, who are not held to the ten-year withdrawal rule. These include spouses, beneficiaries who are not more than ten years younger than the account owner, the account owner’s children who have not reached the age of majority, disabled individuals, and chronically ill individuals.

.....
in case you missed it...



This year's Forum dinner is cancelled, but we look forward to seeing you all next year!



Behind the Scenes: A Look at the Process

Did you ever wonder what goes on behind the scenes when you have an upcoming RWay meeting? Our staff and attorneys have a finely tuned process for getting every detail just right for you. To fully appreciate the amount of effort our team puts into your meetings, and the important role you play, we are going to lay out the process for you.

Currently we have over 880 families in our RWay program. We see everyone on a one- or two-year rotation, quite often having over 50 meetings per month! In order to service every single one of our clients with the same care, quality, detail, and high level of service, we must have a good process in place...for the clients, the RWay team, and the attorneys.

This process starts about five months before your anniversary month. The RWay team lays out the schedule for meetings on the four attorneys' calendars and then sends a notification letter to each client. This allows time for the clients to make sure there are no conflicts with the date and time, and to reschedule if needed. As you might imagine, with so many RWay members, rescheduling is often very difficult!

Around two months prior to your scheduled meeting, the RWay team prepares a current Confirmation of Names and Fiduciaries, Trust Financial Statement, and Trust Summary Diagram and mails it to you for your review and updates.

The **Confirmation of Names and Fiduciaries** is a very important document in the RWay process. It lists your current Trustees, Agents, Personal Representatives, HIPAA Agents, and other important information. When you receive this document, it is vital that you review it carefully for spelling and accuracy, as this will be the tool used to draft the documents you will be signing. What might seem like a small update, like changing your daughter's last name due to marriage, actually has a big impact on many of your documents.

The letter provides a detailed list of instructions to be followed by a certain deadline. This date is critical due to the amount of time it takes to prepare your documents. That process includes running comparisons of your prior documents and your newly updated documents to ensure that all of your customized language and your intentions remain the same, in addition to any of our legal updates. The attorney then needs time to review all the updated documents for accuracy. After that, the RWay team needs additional time to finalize and print all of the documents.

If you provide changes after the deadline or at your meeting, your documents need to be redrafted and reprinted. **You risk paying an additional fee for this!** Please keep in mind that when you sign and submit the Confirmation of Names and Fiduciaries, you are indicating to us that it is a completely accurate statement of what should be reflected in your customized estate plan and that you have no further changes.

At the meeting, you will sign your documents, and an RWay team member will explain how your estate plan functions and review the assets on your **Trust Financial Statement (TFS)**. Another member of the RWay team will scan the new documents into our system and prepare them to be uploaded to your LegalVault account.



When:
Saturday, May 15, 2021

All classes are offered exclusively to our RWay members and their guests.

The RWay Symposiums are typically held at the Clarion Inn & Suites on Rimrock Road, but due to COVID, the May 2021 RWay Symposium will be held virtually. Each workshop will be pre-recorded and posted to our website by May 15th.

These workshops will remain on our website indefinitely, so you are welcome to watch them on any day, not just the day of the Symposium!

We know that it is not quite the same as holding the workshops in-person, and we are looking forward to returning this event to the Clarion in the near future—hopefully for the Fall 2021 Symposium. We appreciate your understanding.

Instructions to log in are on the next page. If you are having trouble accessing the online workshops or have any other questions, call the office or send an email to Samantha at: samantha.radle@wilsonlawgroup.com.

Symposium III
Saturday, May 15, 2021

8:30 a.m.	8:30 a.m.
Trustee Training: <i>Trust Process</i>	Current Events in Estate Planning
Break	
9:45 a.m.	9:45 a.m.
Trustee Training: <i>Administration Process</i>	Your Vacation Home
Break	
11:00 a.m.	11:00 a.m.
Have You Done Your Homework?	Leaving a Legacy

Trustee Training:
The Trust Process

This program will provide attendees with an understanding of estate planning concepts, why a trust is useful in comprehensive planning, and an introduction to the trust administration process. Attendance is a must for every Trustee and successor Trustee. A Trustee Handbook will be included. This program is a precursor for the Trustee Training (The Administration Process) program.

Trustee Training:
The Administrative Process

The Trust Administration workshop provides Trustees with a detailed description of the decisions to be made and the tasks to be completed following the death of a Trustmaker. These include valuing assets, administering retirement plans and annuities, dividing and distributing trust assets, and preparing estate and fiduciary income tax returns. It is important to know how to handle these responsibilities before the need exists. Prior attendance at the Trustee Training (The Trust Process) program is highly encouraged.

Current Events in Estate Planning

As we all know, estate planning is essential to making sure your assets and values pass on to future generations in the way that you want. This program is designed to keep you up to date with how changing laws and court decisions can impact your existing planning. We will discuss the most important changes that can have an impact in your plan.

Have You Done Your Homework?

Not only is your trust binder full of important legal documents, it also contains documents to guide your family in implementing your plan. This workshop offers a guided session to completing your Memorandum for Distribution of Personal Property, Remembrance and Services Memorandum, Child Care Exhibit, Key Information section, and other documents that you may customize. Please bring your trust binder(s) and we will identify your "homework" and provide direction on completing it.

Leaving a Legacy *Presented by Anita Hecht*

We often pay more attention to passing on our possessions than we do to passing on our life stories. Consider, however, that one of the greatest gifts you can give your current and future loved ones is the story of your life.

Anita Hecht - founder of Life History Services and professional interviewer for Steven Spielberg's Shoah Foundation, as well as numerous oral history projects - will lead us in exploring the value and process of capturing and preserving your most important legacy.

Your Vacation Home

Whether it's a small cabin "up north" or a Florida winter getaway, a vacation home can be a wonderful place for families to gather and create memories. Unfortunately, property or items that create the most joyful memories in life often become painful points of friction without proper planning. Topics we will cover include title issues, renting, gifting, location, and divorce.

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It is very important to make sure the TFS is accurate. We encourage you to review the account numbers and balances and make sure the titling and beneficiary designations listed are current. Bring confirmations of beneficiaries or statements if possible. If you don't provide any changes and your assets have changed, we have no way to ensure that the assets all correspond correctly to your trust. This is especially important when a death occurs. We want to help you be prepared so your family will be less burdened when the time comes to administer your estate.

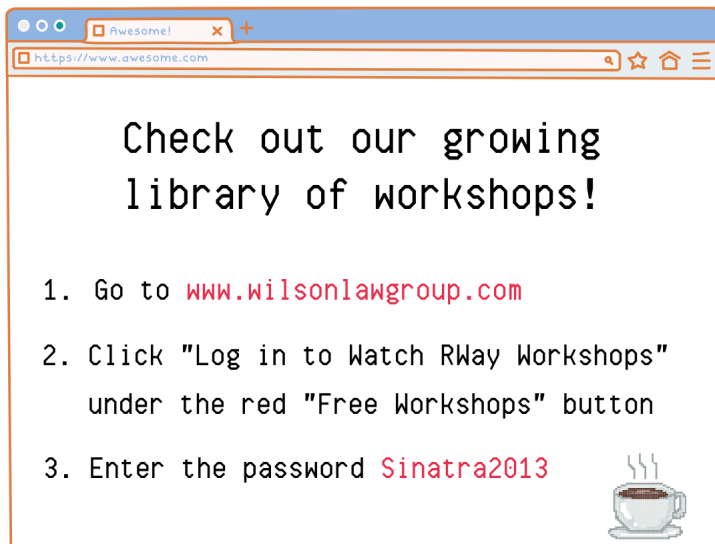
As you can see, there are a lot of moving parts that require a great deal of planning, organization, and attention to detail to ensure that all 880+ clients receive the high level of service that Wilson Law Group's reputation was built on. If you have any questions about your upcoming appointment, give us a call and ask for a member of the RWay team. We look forward to seeing you soon!

"What do I need to bring to my RWay meeting?"

In order of importance:


- Trust binder
- Plastic packet of Duplicate Originals
- Spouse

If you are still questioning what to bring to your meeting, make sure to call and speak to a member of the RWay team before your appointment!

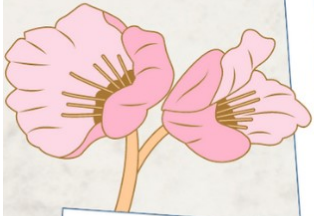


Check out our growing library of workshops!

1. Go to www.wilsonlawgroup.com
2. Click "Log in to Watch RWay Workshops" under the red "Free Workshops" button
3. Enter the password **Sinatra2013**



Staff Profile



Brenna



Mia 



Hello, I'm Brenna!

I joined the Wilson Law Group team this past September. I am the first point of contact when you call and the first person you see when coming into our office. I am happy to make sure your call goes to the correct staff member.

I grew up in New York, but came to Madison to finish my Bachelors at UW-Madison (Go Badgers!). Outside the office, I volunteer with young adults with disabilities, where we work on various independent living skills.

I also have a very cute cat named Mia!



Mother's Day LOCAL GIFT IDEAS

Self Care Gift Box, \$50-\$150
LittleLuxuriesMadison.com



Perfect Face Soap Set, \$30
Crafted Bubbles
WisconsinMade.com



Australian Opal Earrings, \$390
BurniesRockShop.com



Cheese & Wine or Beer Class, \$65
Fromagination.com

Bulb of the Month Subscription, \$147.50-\$249.50
Wisconsin Growers Greenhouse
WisconsinMade.com



Custom Historic Digital Tintype Image, \$65
H.H. Bennett Studio & Museum
WisconsinHistoricalSociety.org



Terrace Chair Wall Hanging, \$25
@sconiegirlcreations on Etsy



this quarter in history

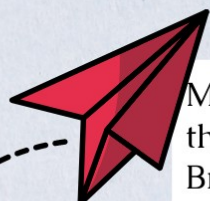


april 2, 1513

Spanish explorer Ponce De Leon sighted Florida and claimed it for the Spanish Crown after landing at the site of present day St. Augustine, now considered the oldest city in the continental United States.

april 21, 1918

Manfred von Richtofen, a.k.a. the Red Baron, was shot down and killed at the Battle of the Somme. He was credited with 80 kills in less than two years. British pilots recovered his body and buried him with full military honors.



may 29, 1453

The city of Constantinople was captured by the Turks, who renamed it Istanbul. This marked the end of the Byzantine Empire as Istanbul became the capital of the Ottoman Empire.

may 14, 1796

The smallpox vaccine was developed by Dr. Edward Jenner, a physician in rural England. He coined the term "vaccination" for the new procedure of injecting a milder form of a disease into healthy persons resulting in immunity.

june 21, 1905

French philosopher Jean-Paul Sartre was born in Paris. The "Father of Existentialism" declined the 1964 Nobel Prize for Literature on the grounds that he always refused official distinctions and did not want to be "institutionalized."

june 15, 1215

King John set his seal to Magna Carta, the first charter of British liberties, guaranteeing basic rights that have since become the foundation of modern democracies around the world.



The Scoop on Spring

Some believe April Fools' Day started in 16th century France when the observation of New Year's changed from April 1st to January 1st. Those who continued to celebrate on April 1st were called "April Fools."

In Old English, spring was called "Lent" until the 14th century, when its name changed to "springing time" in reference to plants "springing" from the ground. It was eventually shortened to simply "spring" in the 16th century.

If Pope Gregory XIII had not established the Gregorian calendar in 1582, then every 128 years the vernal equinox would have come a full calendar day earlier, eventually putting Easter in midwinter.

Also known as "Spring Disease" in the 18th and 19th centuries, spring fever was an illness that involved symptoms like fatigue, easy bruising, bone pain, and hemorrhaging of the scalp and gums. If left untreated, it led to jaundice, seizures, neuropathy, and death.

The Ancient Egyptians built the Great Sphinx so that it points directly toward the rising sun on the spring equinox.

At Chichen Itza, Mexico, the Mayans celebrate the first day of spring with the "Return of the Sun Serpent." On the evening of the spring equinox, the setting sun creates a triangular shadow on the El Castillo pyramid that looks like a descending snake, or the feather serpent god Kukulcan.

MARK YOUR CALENDARS



April 22



Earth Day

May 1

May Day



May 5



CINCO DE MAYO

May 9

Mothers' Day



May 31



Memorial Day

June 20

FATHERS' DAY

