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Estate Planning for Complicated Family Situations

In our modern and increasingly complex society, planning for the future is not always straightforward. Divorce and remarriage, blended families, children with disabilities, or even a financially irresponsible child can complicate estate planning to the point where procrastination is tempting. If any of these situations apply to you, the reality is you should have a well-thought-out estate plan in place.

If You Are Divorced — One of your top priorities is updating your beneficiaries, last will, trusts (along with the executor/trustee), durable power of attorney, and healthcare proxy. You may need to consider more strategic estate planning to avoid estate taxes.

If there are children involved, you have even more decisions to make, including guardians of any minor children. Typically, you will not want your former spouse or his/her new blended family to receive any of your assets.

While you can name anyone as your beneficiary on life insurance policies, annuities, retirement accounts (if permitted by your plan), IRAs, and health savings accounts, your children typically cannot receive these funds until they turn 18. In the meantime, your children's appointed guardian, such as their surviving parent, could be designated by the court to manage these monies until they reach adulthood. Proper estate planning can avoid any mishandling of those funds and provide you with the reassurance that your children will be financially protected.

One way to ensure this outcome is to set up a trust with an appointed trustee, such as a grandparent, aunt, or godparent.

If You Have Remarried — While remarrying is a beautiful reminder that second chances really do exist, this can often complicate estate planning — particularly when at least one spouse has children from another marriage. The first step is to sit down with your spouse and discuss what you both feel is fair for each other and your children, perhaps categorizing what is yours, mine, and ours to reach a decision.

Because of state marital estate

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Eckstein's Corner

This summer has been filled with so many fun moments and wonderful memories with Mason, family, and friends. We packed a lot in—from a trip to West Virginia to spend time with Nana, to a visit to LEGOLAND with friends, to Mason having an adventure of his own at pony camp. It has been one of those summers that felt wonderfully busy, with plenty of reasons to smile.

But as it turns out, the biggest moments were not the ones that required travel at all. Within the span of just two days, Mason lost his very first tooth and started kindergarten. Somehow, those two small milestones felt bigger than everything else we did all summer.

There was something about seeing that little gap in his smile and then watching him walk into kindergarten that made me realize, Oh my goodness—he really is a kid now. Not a toddler, not my little preschooler, but an actual school-aged child who is growing, changing, and becoming more independent right in front of me.

As a financial advisor, I spend much of my time talking about the future. We plan for retirement, college, buying a home, major life events,

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Estate Planning

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laws, unless you have a prenuptial agreement in place, your current spouse has legal entitlement to up to half of your estate, regardless of what your will may designate.

Assuring your surviving spouse is provided for while leaving a legacy for your children can be a fragile matter; it's important to have a plan intact that assures both your spouse and children receive what you intend. You might consider a trust, such as a marital trust, qualified terminable interest property trust (QTIP), or irrevocable life insurance trust (ILIT) that can provide lifetime income to your surviving spouse, while simultaneously ensuring that your heirs receive the remaining proceeds.

If You Have A Special Needs Child — Understandably, parents of a special needs child are often so distracted with accommodating their child's immediate needs that important financial matters are overlooked. The consequences of putting off estate planning are far worse in these situations.

The two most important factors to consider are preserving your child's eligibility for Medicaid and other essential benefits while continuing to provide the best possible lifestyle for him/her. However, without a proper action plan, an inheritance could disqualify your special needs child from vital benefits.

To avoid this situation, parents often leave special needs children out of the inheritance equation, listing other siblings or a designated guardian as heirs with the intention that their special needs child will be provided for as he/she continues to receive necessary medical benefits. The truth is, misuse of these intended funds is always a possibility, as intentions and reality often do not mesh. A much more reassuring path is to consider a special needs trust, which can assure that your child continues to qualify for medical benefits while providing a sound financial future that can include special trips, therapeutic lessons, and life-enhancing activities.

An Irresponsible Adult Child — It's quite common for parents to worry that a child could get into serious trouble when presented with a large sum of money. This depends on a variety of factors, such as age at the time of inheritance, lifestyle, or even addiction issues. Consider establishing a trust — such as a spendthrift trust or even an incentive trust — where the appointed trustee can limit your child's inheritance to several installments throughout the course of his/her lifetime (even on an annual basis if you so wish), place conditions such as good behavior on the disbursements, or even appropriate the funds for something as specific as college tuition.

Please call to discuss this topic in more detail. OOO

Growing Your 401(k) Plan

Your 401(k) plan's ultimate size is primarily a function of two factors — how much you contribute and how much you earn on those contributions. Of course, you know you should contribute the maximum amount possible ($24,500 in 2026 plus a $8,000 catch-up contribution for individuals over age 50, if permitted by the plan). But what steps should you take to maximize your returns? Consider these tips:

✔ **Take advantage of employer matching contributions.** Contribute at least enough to take full advantage of any matching contributions. You simply lose the money if you don't use it. A 50% match on your contributions is the equivalent of earning 50% on your money in the first year.

✔ **Select your investment alternatives carefully.** Since you are responsible for investment decisions, understand all alternatives and review all available information before making choices. Keep in mind the long-term nature of your retirement goal and select investments for that time period. For most participants, that will mean that a significant portion of their portfolio should be invested in growth alternatives.

✔ **Rebalance periodically.** Numerous studies have found that rebalancing reduces portfolio volatility, often with increased returns. By rebalancing, you are following a fundamental investment principle — you are buying low (those investments that are underperforming) and selling high (those investments that are performing well). Since your 401(k) plan is tax deferred, there are no tax ramifications to buying and selling within the account.

✔ **Limit the amount of company stock owned.** It is generally recommended that any one stock not comprise more than 5% to 10% of your portfolio's value. If you own company stock in your 401(k) plan, look at how much of your total balance it represents.

✔ **Don't borrow from your 401(k) plan.** Only borrow as a last resort, since there are also hidden costs to this borrowing. While your loan is outstanding, you miss out on any capital gains or other income those investments would have earned. Interest rates are typically very reasonable with 401(k) loans, which could mean your 401(k) account is earning lower returns. Also, if you leave the company while a loan is outstanding, you must repay the entire balance within a short period of time or the loan will be considered a distribution. OOO

Overcoming 5 Retirement Fears

We've all heard stories about people losing all of their retirement savings in a stock market crash, outliving their money, or incurring unexpected medical expenses that forces 80-year-olds back into the workforce. At times, these stories can seem overwhelming — even to the point of deterring people from planning for retirement. Are these fears likely to become realities? Probably not, but the truth is that these things can happen. Here's how you can deal.

1. Outliving your money — There's a rule of thumb to decrease the odds of outliving your money over a 25 year retirement: by the time you're ready to retire, you should have saved 8 times your annual salary. To get there, gradually work up to it. For example, at age 35, you should have 1 times your current salary saved, then 3 times by 45, 5 times by 55, and so on.

Of course, the amount of money you need to have saved by the time you're ready to retire depends on a huge range of individual factors: What are your plans for retirement? How old are you? Will you still have a mortgage? Do you have long-term-care insurance? T truly decrease the odds that you'll outlive your money, work with a financial advisor to develop a robust retirement plan, then stick to the plan and revisit it often to make sure it remains in alignment with your goals and circumstances.

2. High inflation — What if inflation went up to 12–14% like in the 1970s? What would you do? It's probably not likely that inflation will spike like that again, however, because it has happened before, you want to be prepared. This is where an annual review of your investments can be wise. In periods of very high inflation in the U.S., for example, you may need to adjust your investment strategy. Indeed, that is the point of diversification: if you are properly diversified, your portfolio should include investments that move opposite each other, so when one asset class or subclass is down, another is up.

3. Unexpected medical expenses before retirement — Unexpected medical expenses that you may incur while you are still working could totally derail your retirement. To prepare for them, it's important to have insurance in place, such as disability and life insurance. Disability insurance will ensure that if you do lose your income due to a disability, you will still be able to take care of your basic necessities and not tap into your retirement savings. Life insurance will protect your family in the event of your death — especially important if your income was the key to your spouse's retirement.

4. Unexpected medical expenses during retirement — For most people, health care is one of the largest (often *the* largest) expense incurred during retirement. There are a few ways to prepare for medical emergencies: private health insurance to fill the gaps in Medicare, long-term-care insurance, and rainy day savings. For today's retirees, Medicare takes care of most medical expenses, however, you need savings to cover what insurance won't — like copays and expenses exceeding your insurance limit. And just as you save before retirement for unexpected expenses, so should you continue your rainy day fund in retirement; even if you are adequately insured, copays can be significant if you have a medical emergency.

5. Market crash — As with high inflation, the key to surviving a market crash is diversification. (To be clear, there is no way to insulate yourself completely from the effects of economic turmoil. But you can take steps to ensure that turmoil doesn't completely ruin your retirement plans.) As you get closer to retirement, you should be invested less heavily in equities and more in investments like bonds.

Please call if you'd like to discuss this in more detail. OOO and all of the milestones that can seem so far away when we first start preparing for them. But moments like these remind me just how quickly the future becomes the present. One minute, you are planning for something that feels years away, and the next, it is here.

This summer reminded me to enjoy the big adventures—the trips, the camps, and the time spent with family and friends—but also to appreciate the little moments that quietly mark the beginning of a whole new chapter.

Espinal's Corner

Life has a funny way of magnifying things that seem small and common to award worthy. Or, more accurately stated, *I* have a funny way of magnifying things that are normally small and common to award worthy.

So, as I write this article, my grandson, Shiroh, is 17 months old. For most of his young life, outside of his immediate parents, the main caretaker has been my wife (his "Mimi"). My role has been limited to more of a distant supporting cast member. Or to use more of a baseball vernacular, a pinch hitter. Well, here's where the story gets interesting. On the opening weekend for Spider-Man, my daughter and son-in-law were in town visiting for the weekend. The entire family wanted to go to the movie, including my son (who resides about 30 minutes away) and my wife. The question was posed as to who would stay home and watch Shiroh. As I eluded earlier, being a pinch hitter, prior to this I haven't been given the opportunity to "start a game" and show off my talents. But after some consultation with management (daughter, son-in-law and my wife), the consensus was that there was enough trust in me to do the job and watch Shiroh for the evening. This meant I had to give him his last feeding AND put him down for the evening. The scouting report stated that the one challenge would be, who would fall asleep first, me or Shiroh. Well, contrary to that faulty scouting report, I am happy to report that the evening was a complete success. The feeding went better than expected. I managed to successfully remain bright eyed and bushy tailed for numerous hours after putting him down. As well as timely responding to the plethora of text messages that were received during the evening.

It's easy to joke and self-deprecate, especially when almost everyone reading this has had to put a baby down to sleep one time or another. But the fact remains that as common as this task is, for me, it is these milestone moments that are not only fun to share, but remind me that these simple moments are the experiences that one day make a book full of memories for years to come.

Stern's Corner

I began my career at Shearson Lehman Hutton in March 1993, and throughout the years I have often heard the saying, "If you love what you do, you'll never work a day in your life." I truly believe I chose the perfect career. When you actually love what you do you tend not to take too many vacations.

Over the past 33 years, my wife and I have been fortunate to take two trips that I would describe as truly phenomenal: Alaska and Italy. This year, I made it a personal goal for us to take another memorable trip, and we traveled to Amsterdam, Ireland, and Scotland. It was an incredible experience. We saw castles, cliffs, and churches, enjoyed food tours, and even had the opportunity to visit places tied to the Beatles' early lives.

This trip will always be a special snapshot in my lifelong journey — one I will look back on with a smile. I tend to be more of a homebody and have always loved spending time with my children and friends, so this experience pushed me outside my comfort zone. I am so grateful that we made the decision to go.

Most importantly, I want to thank my clients and partners. Without the trust you have placed in our team, this journey would not be the same. I deeply appreciate the relationships we have built, and I will always do my best to let you know how honored I am that you have placed your trust in The S.E.E.K Group.

Thank you again for your continued confidence and partnership.

Deakins' Corner

Summer has come to an end, and as much as my kids may have been dreading it, they are officially back in school. Like every summer, it went by far too quickly, but we made the most of it and had a lot of fun along the way. We spent time traveling around Florida and also made a trip to Chicago to visit family, which was a wonderful highlight of the season.

This year, Bryn is starting 8th grade and Cole is heading into 4th grade. Bryn also turned 13 in August, so we officially have a teenager in the house — which has certainly been a learning curve! It feels like we went from princess dresses and Barbies to boyfriends and trendy clothes much faster than I was prepared for.

As bittersweet as it can be to watch each stage pass so quickly, it is also incredibly fun and meaningful to see the kids grow, mature, and continue becoming their own people. Both Bryn and Cole have such kind hearts, and I am so thankful they are ours.

Before long, we will be back in the full swing of fall, with new sports seasons, school activities, and busy schedules filling our days. And somehow, just as quickly as summer ended, I know we will blink and it will be here again.