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Ready, Set, Scavenge!

Explore What Autumn Offers

As the leaves begin to fall and the air becomes cooler, it is a sure sign that summer is slowly coming to an end. Though we will miss the pool parties and backyard barbecues, there is still lots to look forward to during fall.

Autumn is known as the season of change, and getting the kids outside allows them to understand and explore the changes going on in the world around them. Creating a fall scavenger hunt is a great way for kids to practice their reading and observation skills, all while still enjoying the outdoors.

Signs of Fall
Creating a specific scavenger hunt for signs of autumn is a great way to enhance your child's observation skills.

Consider the following for your signs of fall hunt:

1. Leaves that have changed colors
2. Tree seeds or pine cones that have fallen to the ground
3. Items from a fall harvest (like pumpkins, sunflowers, or hay bales)
4. Changes among people's apparel (such as jackets, hats, and scarves)
5. Animals hibernating or migrating

Fall Color Wheel
The best way to explore autumn's colors is by creating a fall color wheel hunt! Since the leaves are the surest signs of fall, kids can compare and contrast the different colors of each leaf they find, making this a fun hands-on activity.

You can either download a color wheel template from the internet or make one yourself! All you need is a piece of paper that's big enough for kids to tape the leaves onto and different areas for the colors red, yellow, orange, and brown. This will help kids see the different kinds of leaves as well as their visual changes during the season.

The weather is getting colder, but it doesn't mean you have to hibernate too! Bundle up with a cozy sweater and beanie, and encourage the family to get outside to explore all of the wonderful changes autumn has to offer.

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Google & Associates: Attorneys at Law?

9 Lies You'll Learn From the Internet — And How to Outsmart Them

A few months ago, I called two plumbers into my house to install a new kitchen faucet, and they ran into a problem. They looked baffled, so I made a few suggestions for how they could fix it.

"I'll be honest with you," one of the plumbers told me. "We've never installed a faucet like this before, so we're trying to figure it out."

At that moment, my wife came in from outside, and I turned away to greet her. When I turned back, one of the plumbers had his cellphone out, and he was looking up the faucet on Google! The second plumber shook his head in disappointment. But instead of knocking some sense into his coworker, he said, "What are you doing on Google? You should be on YouTube!"

I couldn't believe it. "Here's an idea," I said. "Instead of Google or YouTube, why don't you just call the company that made the faucet?"

I had a hunch that if these plumbers continued on Google, they would come across a lot of incorrect and perhaps even damaging information — just like our clients do when they Google estate planning matters. I hope you never turn to "Google & Associates" with a question about your Trust, but if you do, look out for these nine lies that could damage your estate plan.

Lie No. 1: 'You shouldn't put your checking account in your Trust.'
One of the questions we are asked repeatedly is, "Should I add my checking account to my Trust, even if the balance isn't very large?" The answer is, "Absolutely!" In most cases, the reason your account balance isn't large is because your estate is being kept afloat by the money that goes into the account and the bills that have to be paid out of the account. In other words, the bank account is the heart of the estate: Blood (or money) goes in and blood (or money) goes out. In the event of disability, the checking account is the first account we look to in order to pay the bills. *The Truth: You should put your bank accounts, including your checking account, in your Trust, regardless of what Google says.*

Lie No. 2: 'You should name your spouse, children, or minor grandchildren as beneficiaries of your life insurance.'
In each of your Trusts, you have the option (which almost 95% of our clients take) to keep your estate in the Trust for the benefit of your beneficiaries, potentially including your grandchildren. This option will provide them asset protection for life. Furthermore, there are tax reduction provisions inside of the Trust. However, your heirs won't get these benefits if your life insurance payment bypasses the Trust and is made payable directly to your spouse, children, or grandchildren, especially if your grandchildren are minors. *The Truth: You should name your Trust as the beneficiary of all your life insurance payments.*

Lie No. 3: 'You should make your IRA/401(k) payable to a Living Trust.'
This is a very tricky area. First of all, qualified plans (e.g., IRAs, 401(k)s, Roths) should never be owned by a Living Trust and, with very few exceptions, should never be payable to a Living Trust. Changing the owner to a Living Trust will trigger an early withdrawal — complete with income tax consequences and often penalties. Naming a Living Trust as a beneficiary will accelerate the withdrawal period, causing additional income taxes.

Typically, qualified plans designate a spouse as the primary beneficiary (if you're married) followed by children or whomever you want to receive the account when you pass. However, if the amount of the funds being designated to one person, other than the spouse, will likely exceed $350,000, we strongly suggest you consider creating a Retirement Trust and naming the Retirement Trust as the beneficiary of your qualified plan. This will provide asset protection benefits without causing adverse income tax consequences.

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If you research this on Google, you will find several articles warning against naming a Trust as a beneficiary. If the article you find is referring to Living Trust, that warning is legitimate. If the article is referring to Retirement Trusts, the article is giving you bad information. *The Truth: If you want to know who the beneficiary of your qualified plan should be, read the funding instructions contained in your three-ring maroon binder.*

Lie No. 4: 'Tax planning is no longer necessary."
If you're married, you may have heard that Federal Estate Taxes are dead (no pun intended). This is because the maximum amount you can have in your estate and avoid taxes if you die this year is $12.06 million. However, there's a catch: You must die this year for that number to apply, because it will change next year and every year after that. Furthermore, a big part of tax planning is eliminating the capital gains on the growth that has occurred in your estate over the years — and everyone has experienced growth on their estate, even if it's only your house that has gained value. The problem is that if a Trust is designed to avoid or reduce the impact of the Federal Estate Tax, that will expose the estate to capital gains tax and vice versa. These are all reasons why Google is wrong. *The Truth: Tax planning is still needed, but you don't have to worry about it. We have included a capital gains election provision that addresses the problem, so you are covered no matter when you die or what the Federal Estate Tax Exemption is.*

Lie No. 5: 'You should transfer assets to your children while you are still alive.'
Articles on Google may suggest you transfer your assets to your children before you pass away as part of their "advanced inheritance." To be clear, there is no such thing as an "advanced inheritance" — it's called a gift, and there are limitations on how much you can gift per year without filing a gift tax return ($16,000). In addition, there are also income tax capital gains issues when you gift an asset. There are also no benefits to prematurely transferring your assets. In fact, a transfer will prevent you from accessing the assets. *The Truth: You shouldn't transfer your assets early.*

Lie No. 6: 'You can sign a Power of Attorney even if you are disabled.'
I don't mean to be unkind, but it makes no sense to have someone who is incompetent sign a Power of Attorney. Yet we receive this request almost weekly from well-meaning children who are simply trying to help. A Power of Attorney allows someone to sign your name when you are no longer able to sign it yourself, so you must complete it while you are legally qualified. *The Truth: You have already signed a Power of Attorney as part of your Trust portfolio, so there is no need to worry about this. If your family is concerned, let the person you appointed know you have executed the Power of Attorney.*

Lie No. 7: 'You need two doctors' signatures to be declared incompetent and removed as a Trustee.'
There is an old method of removing a Trustee when they are deemed incompetent. It requires two doctors' written opinions as to the Trustee's incompetency. For numerous legal and practical reasons, we don't use this method and haven't done so for years. In the Trusts, we include a "Disability Panel" consisting of people (chosen by you ahead of any illness or injury) that will determine whether or not you should serve as a Trustee. This method is very efficient and respectful, and it does not violate any medical privacy laws. However, people who haven't read your Trust may assume it is written with the old method. This is not true. *The Truth: You do not need two doctors' signatures because of the way your Trust is structured. Make sure you are familiar with the terms of your Trust. Don't assume Google knows more about your document than you do.*

Lie No. 8: 'You do not need to consult a lawyer before signing Irrevocable Trust documents.'
Never sign an Irrevocable Trust until you have had a chance to speak to an attorney who is familiar with these documents and can discuss their ramifications with you. Irrevocable Trusts are extremely effective in certain situations, and in those situations, nothing else works as well. However, if used inappropriately, they can be a nightmare to undo. Remember, they are irrevocable (unchangeable). *The Truth: You should make sure you receive good legal advice before you execute Irrevocable Trust documents.*

Lie No. 9: 'Your child and their long-term partner are common law married.'
Many of our clients have told us their children are not married but have been living with another person for quite some time. Often the client will ask how many years until "common law marriage" kicks in. Many clients will simply tell us when it kicks in (after all, that's what Google says). The problem is that while many states recognize a common law marriage, California does not.

In California, the law is quite clear: You are either married or you're not. However, there is a unique problem with those who are living together, but unmarried. This problem occurred when a famous actor by the name of Lee Marvin (remember him from "Paint Your Wagon"?) told his girlfriend of many years to leave. Thanks to Mr. Marvin, we have the infamous "Marvin" case. In a nutshell, the message from this case is if you are "cohabiting" and have been doing so for a long time (no time frame is given), and you decide to go your separate ways, the court can issue an order requiring that the two partners' assets be divided equally — or at least the way they would have been divided had the couple been married. *The Truth: If your child and their partner live in California, they are not common law married. However, you don't need to worry about their status because your Trust continues after you pass away, providing asset protection for the beneficiary for life, whether they are cohabiting or married. Bonus lesson: You may want to suggest to your children who are cohabiting in California to seriously consider a "Cohabitation Agreement," just so there are no surprises.*

I hope reading this article has cleared a few things up for you — and showed you why I was so concerned about my plumbers Googling my faucet installation! While they bickered, I stepped away to call the faucet company, Moen, and in minutes, I learned the answer to the question the plumbers were looking for.

Sometimes Google is OK, but with complicated faucets, as with estate plans, going directly to the source and consulting the experts (rather than Google or YouTube) might be a smarter move.

–John Preston

WARNING:
Do NOT Add Anyone to Your Bank Account!

You're Already Covered for Emergencies

No matter how tempting it may seem, you can't afford to fall into the trap of adding your Trustee — or anyone else! — to one of your bank accounts. We understand the temptation to do this. Ideally, all of your checking and savings accounts should be inside your Trust. But you might have one account on the outside, and if you do, it may seem wise to grant access to your Trustee or another family member.

Maybe you're worried about a medical emergency and want to make sure someone can access *all* of your accounts, not just the ones in your Trust. So, you add your Trustee as a "signer" on your account. This is a big mistake!

Why is adding a "signer" dangerous?

First, there is no such thing as a "signer." When you add someone to your account, you're not just giving them the ability to sign checks — you're making them co-owner! This means they have an equal ownership interest, and you must consult them on future decisions about the account's status.

Worse, even if you trust the person you've added to your account, you're putting your funds at risk. If they are sued and their assets are exposed, their creditors can come after your account! The account will also pass to them and their heirs automatically when you die instead of following the process in your Trust. This can cause family drama and open the door to litigation.

There are no benefits to adding someone to your bank account. There are only risks!

What should you do instead?

Here's the good news: You don't have to do anything. Because you're a Life Plan Member, you already have a mechanism in your Trust to ensure someone has access to your accounts in case of an emergency. This person is your Silent Partner Co-Trustee. If something happens, they gain immediate access as a manager *only*. They are also obligated to act in your best interest.

Unless you specifically asked us not to include a Silent Partner Co-Trustee when creating your Trust, you have one waiting in the wings to help if something goes wrong. You can rest easy and avoid the dangers of a "signer."

Sudoku

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6	4			1		9	2	3
	8	9		4		7		1

Solution on Pg. 4

No-Fuss Chicken and Rice Soup

Inspired by RecipeTinEats.com

Ingredients

- 2 tbsp olive oil
- 1 onion, chopped
- 2 garlic cloves, minced
- 3 carrots, sliced
- 3 celery ribs, sliced
- 2 chicken bouillon cubes
- 1/2 tsp dried parsley
- 1/4 tsp pepper
- 4 cups chicken broth
- 4 cups water
- 1 1/4 lbs bone-in, skinless chicken thighs
- 1 cup uncooked white rice
- Salt, to taste

Directions

1. In a large pot over medium-high heat, warm the olive oil. Add the onion and garlic and sauté for 5 minutes. Add the carrots and celery, then sauté for 1 more minute.
2. Add the bouillon, parsley, pepper, chicken broth, and water. Stir, then add the chicken thighs.
3. Cover and simmer on medium-low for 30 minutes, then add the rice. Stir, cover, and simmer for 15 more minutes.
4. Remove the pot from the heat and transfer the chicken to a large bowl. Shred the meat and add it back to the soup. Discard the bones.
5. Stir, salt, and serve!