

page 1

Unofficial VA Rates

page 2

Why Not to Name Kids
as IRA Beneficiaries

The Awesomeness that
Happened on Saturday

page 3

Member of the Month
Douglas Ocker

Upcoming Events

UNOFFICIAL VA RATES

Victoria L. Collier, Co-founder, Lawyers With Purpose

Each year the President of the United States decides whether there will be a cost of living adjustment (COLA) to Social Security benefits. The Veterans Administration then mirrors the COLA for Improved Pension benefits. For several years there wasn't a COLA increase. For 2015, the increase is 1.7%.

For VA benefits, the increase begins on December 1st of each year. Yet, the Veterans Administration does not formally "publish" the new rates until well into the first quarter of the next year. When published, you can find the rates here for Veterans: http://www.benefits.va.gov/PENSION/current_rates_veteran_pen.asp and here for Widows of Veterans: http://www.benefits.va.gov/PENSION/current_rates_survivor_pen.asp

Even though we won't know the formal numbers for a few more months, we must still be able to advise our clients on what the "possible" numbers will be. Therefore, I have taken the annual pension amounts and multiplied by 1.7%, and then rounded down, like the VA to get the Unofficial VA Pension Rates as detailed below, for your convenience:

2015 "Unofficial" VA Maximum Annual Pension Rates (1.7% increase from 2014)

Veteran	Annual	Monthly
Medical deduction 5% = \$643 (single)/\$842 (married)		
Improved Pension Single/Married	\$12,867/\$16,851	\$1,072/\$1,404
Housebound Single/Married	\$15,725/\$19,710	\$1,310/\$1,642
Aid and Attendance Single/Married	\$21,466/\$25,447	\$1,788/\$2,120
Two Veterans Married to Each Other		
Improved Pension	\$16,851	\$1,404
Housebound One/Both	\$19,710/\$22,565	\$1,642/\$1,880
Aid and Attendance One/Both	\$25,447/\$34,049	\$2,120/\$2,837
One A/A and one H/B	\$28,299	\$2,358
Widows of Veterans (no dependents)		
Medical deduction 5% = \$431		
Death Pension	\$ 8,629	\$ 719
Housebound	\$10,547	\$ 878
Aid and Attendance	\$13,794	\$1,149

WHY NOT TO NAME KIDS AS IRA BENEFICIARIES

David J. Zumpano, CPA, Co-Founder, Lawyers with Purpose, LLC

The US Supreme Court in *Clark v. Rameker* (June, 2014) solidified that children or other “non-spouse” individuals should not be named the beneficiary of an IRA, if asset protection is a goal. The court, in a 9-0 decision, declared that an inherited IRA is not a “retirement account” and allowed the bankruptcy trustee to invade an IRA inherited by the debtor (child), to pay her creditors. The decision set the new precedent that inherited IRAs are not protected from the creditors and predators of its owners.

The Supreme Court decision left intact the ability to name a spouse as beneficiary, since a spouse has the right to create a new IRA or combine the IRA of the deceased spouse with his or her existing IRA. While this method may appear to protect a spouse’s inherited IRA, it is not a viable approach when an individual dies without a spouse, or if the surviving spouse is in need of long-term care. There is however, a foolproof way to protect IRAs after death, regardless of circumstance. Name a trust as beneficiary!

Most legal and financial professionals will grimace at the idea of a trust being named beneficiary of an IRA. They believe that doing so makes the entire IRA taxable at death or will result in the loss of the “stretch” and force it to be paid out within five years. This is true only if the trust named beneficiary is not a “qualified” pass thru beneficiary, but if it is, it enjoys all the benefits the trust beneficiaries would receive as direct beneficiaries.

For a trust to be a “qualified” pass thru beneficiary of an IRA it must meet four criteria:

- 1) it must be valid under state law;
- 2) it must have identifiable “human” beneficiaries;
- 3) it must be irrevocable after death; and
- 4) a copy of the plan document must be provided to the plan administrator.

While there are some complexities in complying with these rules, once understood and properly applied, naming a trust as the beneficiary is the only way to ensure asset protection of inherited IRAs in the post *Clark v. Rameker* world. When properly drafted, a Revocable Living Trust, an Irrevocable Pure Grantor Trust (iPug™), a grantor trust or non-grantor trust can be utilized. The drafter of the trust must distinguish the “inside” designation strategy from the “outside” designation strategy. That is, how to structure the beneficiary designation on the IRA beneficiary designation form and integrate it with the beneficiaries designated in the Trust to accomplish a myriad of scenarios for the surviving spouse (or other beneficiaries) that do not have to be decided until after the death of the IRA owner.

THE AWESOMENESS THAT HAPPENED ON SATURDAY

“The awesomeness that happened Saturday!!! NO WORDS!! I have never seen such a phenomenal workshop (He gave Dave a run for his money.) :-)

We had a private workshop for insurance agents/ financial advisors on Saturday. Andrew was amazing. The workshop was so well received that we have already scheduled 5 appointments out of the 30 attendees for the first two weeks of the year.

The attendees (including me) were so engaged, they were taking notes, asking questions for themselves and for their clients.

The best part is the meeting ended with the CEO of the company endorsing Andrew as the go to attorney for the World Financial Group associates!! HOW AMAZING IS THAT!!!

Andrew made me so proud. His two kids were in attendance and they too were so impressed.

Andrew has truly made leaps and bounds since being a part of the LWP and I am BEYOND excited for our future together.

DEE - LAW OFFICE OF ANDREW L. JALOZA



MEMBER OF THE MONTH

Douglas Ocker

What is the greatest success you've had since joining LWP?

I joined LWP in 2013. I felt I lost control of my law firm to my employees, as they had the hammer over my head due to the power of one. How could I replace them if they were the only one knowing how to perform a particular task? LWP was the answer. With video webinars and a systematic process, including spreadsheets and flowcharts, I could train a replacement employee in a few days. So thanks to the LWP system, the hammer was in my hand, not their hand. I no longer have paralegals. This is my greatest success. Practicing elder law is fun again.

What is your favorite LWP tool?

I do not have a favorite LWP tool. The LWP system is a complete system, i.e. a toolbox. The toolbox holds every tool an Elder Law attorney will ever need. These tools include document preparation tools, marketing tools, law office management tools, video instructional tools, and so on. Just go to the website and open the toolbox for the job at hand. Even the email list serve is an open ended tool for your use.

How has being part of LWP impacted your team and your practice?

We have a TEAM now, and I love it! Every team member knows their job description, and LWP has a system in place for each team member. We have an attorney and CEO, a Client Service Coordinator, a Marketing Coordinator, a Bookkeeper and Document Preparation person (my wife, Sueanne), and two part-time analysts for VA and Medicaid document preparation.

Life is good.

NOTABLE EVENTS

Weekly

Live ListServ
Every Monday-4:00 PM EDT

Bi-Weekly

Marketing Roundtable
2nd and 4th Fridays
12:00 Noon EDT

Monthly

Veterans Marketing Moments
3rd Wednesday-3:00 PM EDT
Veterans Back to Basic Training
3rd Thursday-3:00 PM EDT
Veterans Roll Call
3rd Thursday-4:00 PM EDT

Live Programs

Practice With Purpose
February 3-5 Charlotte NC
Tri-Annual Retreat
February 4-6 Charlotte NC

To register for an event, visit our events page
LawyersWithPurpose.com/Events-for-Lawyers.php





LAWYERS WITH PURPOSE

Legacy Building, Suite 202
555 French Road
New Hartford, NY 13413

CONGRATULATIONS TO OUR EARLY BIRD PRIZE WINNERS!

We're excited to announce the \$75 gift card winners for Early Bird registration for the February Tri-Annual Retreat in Charlotte.

- Melissa Rodden Mays
- Alan Hougum
- Michele Ungvarsky
- Thomas Hackett

We can't wait to see you in February. We look forward to bringing all that we have been working on to our members and working with you in the room during your firm retreats.

Will you be the winner for our June retreat?

