

The Law Office of Mary Anne Vance, P.S.

(206) 682-2333
(206) 682-2382 - FAX
WWW.VANCELAW.COM

1111 UNION BANK OF CALIFORNIA CENTER
900 FOURTH AVENUE
SEATTLE, WASHINGTON 98164-1001

MARY ANNE VANCE
KENNETH L. TAYLOR
SHEILA C. RIDGWAY
FLORENCE K. DELERANKO

Making Sure Your Estate Plan Continues to Meet Your Needs

You craft an estate plan to ensure that your loved ones will be taken care of after your death, and so that your property will be distributed as you wish. Your plan can also assure that you and your property will be protected if you become disabled. But life doesn't stand still and your circumstances might change -- you may have more children or grandchildren, acquire more assets, or have a falling out with friends; your children will mature or you and your spouse may separate. The law may even change, making your estate plan obsolete or even counter-productive. Life changes may require that you change your estate plan. We recommend you review your estate planning documents at least once a year to ensure everything is acceptable. Pick a certain day, like your birthday, the Fourth of July, or some other memorable date to help remind you.

Your estate planning documents include your Will, your Financial and Medical Power of Attorney, your Health Care Directive ("Living Will"), and the new Disposition of Remains Instructions, which deals with funeral and burial arrangements. You will also want to update your inventory of assets, retirement accounts, insurance policies, annuities, savings plans, trusts, "in trust for" bank accounts, and joint tenancy and "pay on death" bank accounts. Remember, the beneficiary you specify on life insurance, pension plans, or annuities will receive that asset at your death. Your Will does not supercede these designations.

You can change your Will any time before your death if you are competent. All written changes to your Will must be witnessed just like a Will, using two witnesses, a notary, and your full signature.

If you think it might be time to update your Will, it probably is. If you have questions, please call our office and schedule an appointment or visit our web site at www.vancelaw.com. Click on the "Estate Planning" icon under the Frequently Asked Questions section to find helpful information and feel free to download our comprehensive Estate Planning Questionnaire.

Retirement and Estate Planning Seminar October 23, 2003

Since many of you have asked, we will again host a Retirement and Estate Planning Seminar for clients and friends on Thursday, October 23, 2003 at 10:00 a.m. For those of you that missed our last seminars, here's your chance!

If you would like to attend, please call to reserve a place no later than Friday, October 17, 2003. As always, there is no charge to attend, but space is limited to the first 30 people. Please read the enclosed flyer for additional information.

Did you know that your Will can be used to make bequests to charities as well as to people. A charitable bequest may save Estate taxes.

We encourage you to visit our website frequently at www.vancelaw.com to stay informed on important information that may affect your Estate Plan, such as tax law and legislative changes.

Estate Planning News

Fall 2003

What You Really Need To Know About Retirement Planning

By Kristi Mathisen, C.P.A.

Come hear Kristi Mathisen and Allan Steinman speak about retirement planning at our upcoming seminar on October 23, 2003.

Most everyone faces the prospect of retirement with mixed emotions, including fear, uncertainty, joy and relief. Fear about changes in our lives and how we think of ourselves (am I old now?); uncertainty about what to do to prepare for retirement; joy that we finally get to relax; and relief – “we made it!”

In some ways, we plan for retirement each time we deposit money into our savings accounts, contribute to retirement plans, or forego spending on luxuries – because the less we spend now, the more we’ll have later. Financial planning is what most of us think of when the topic of retirement planning is raised and we’ll discuss that briefly in this article.

Just as important as financial planning though, is planning for the effects of retirement on our emotions and on our interpersonal relationships. How important is your job to your sense of self-worth? How will you feel when you no longer interact with your co-workers and supervisors and no longer get daily validation that you are a contributing member of a team? What will you do with the extra time that you formerly spent at work? Are your spouse (or significant other) and other family members prepared to have you at home most of the time? Failure to address the emotional and interpersonal aspects of this life-changing event could lead to adverse effects on your physical and financial health.

Financial planning for retirement encompasses many topics. Common questions include: How much do I need to live the way I want to live? Can I afford to retire? What happens if I work part-time? When should I start withdrawing Social Security? What should I do with my IRA and employer retirement plan assets? Where do I get medical insurance? Is long-term care insurance necessary? How do I provide for my dependent’s futures and financial security now that I don’t have my former earning capacity? Is

my estate plan in order? Do I need a new will?

The logical starting place in financial planning for retirement is to look at today. What do you spend per month and how would your spending change if you were retired? Remember to consider taxes and charitable goals. Once you know what your expected expenses will be, you must analyze your income sources. Social security payments vary depending upon when you begin withdrawals. Retirement plans and IRAs offer a multitude of withdrawal options and some of the decisions made at retirement about those options are irrevocable.

The next step is to evaluate your investments. (If you don’t qualify for Social Security or other retirement benefits, this is step one.) Do your investments generate cash income? How much? Should the investment mix be changed? If your expected income is not sufficient for your post-retirement needs, how can the shortfall be satisfied? How long would your investments last if you spent more than the income? Would your Social Security or other retirement benefits be affected if you returned to work part-time?

Does anyone not worry about healthcare, now or in retirement? What will health insurance cost and how fast will it and other medical costs increase? Can you remain a participant in your employer’s health plan? For how long? When are you eligible for Medicare? What does Medicare cover and is some form of supplemental insurance necessary? Does it make sense to purchase long-term care insurance?

Providing for your dependents’ needs continues to be a concern in retirement. Do you still support your children or your parents? Did you consider those costs when evaluating your post-retirement expenses? Do you still need life insurance to assure their support after you die?

News From Our Firm - Mary Anne Vance was voted a top estate planning lawyer in the 2003 Seattle Magazine attorney poll and voted a “Super Lawyer 2003” by the readers of Washington Law & Politics Magazine.