

# STONE BARN TIMES

2021 | Issue 1

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- 3 Key Questions to Answer Before Taking Social Security
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# What's Included in an Estate Plan?

**E**state planning can often be a neglected part of financial planning for many individuals and families. It's easy to delay answering uncomfortable questions such as, "what happens to my assets and my loved ones after I am gone?" It's no surprise that roughly half of Americans don't have a will and even fewer have an estate plan.

## What is included an estate plan?

**Will** - Your will is the document in which you can name who will care for your minor children or other dependents. It also directs who will inherit your property. Once the directions in your will are carried out, the document expires.

**Trust** - You may decide to set up a trust to provide for the ongoing care of your heirs, or the ongoing disposition of your assets. For example, you can set up a trust that will provide income to your spouse or financially cover the costs associated with the care for a disabled child. Unlike your will, a trust is a document that survives even after your will expires.

**Health Care Directive** - Depending upon where you live, you may want to consider both a Health Care

Declaration and a Power of Attorney for health care. Some states combine these two documents within an advance health care directive. Together, these documents allow someone you choose to carry out your health care decisions or to make health care decisions for you, in the event that you become unable to do so.

**Financial Power of Attorney** - In this document, you give a trusted person or entity the authority to handle your money and property in the event that you are unable to do so.

**Beneficiaries** - Your company retirement plans and IRAs usually require you to name a beneficiary at the time you open the account. Those beneficiary designations should stay in-step as your life changes, through marriage, divorce, death, adoption and other events. Be sure you also keep your insurance beneficiaries updated.

An estate plan is a simple way to make sure your wishes are carried out when you are no longer able to do so. Make a plan and update it regularly. You'll feel more organized and will be confident that your loved ones won't be unnecessarily burdened in the future. 🍀



# Life Insurance:

## *Is it in Your Financial Plan?*

In response to COVID-19, life insurance applications have been steadily increasing. Many have witnessed first-hand how quickly life can change and perhaps are realizing the importance of having financial security.

Life insurance can provide potential financial stability to a surviving spouse, children or other family members in the event of your passing. Sadly, many Americans have no life insurance coverage whatsoever, and of those who do, many don't have enough.<sup>1</sup>

Appreciating the importance of having adequate life insurance is one step, while assessing your own unique needs is quite another. As a starting point, determine your net earnings after taxes as well as your routine living expenses. Then take into account any outstanding debt - such as a mortgage, education loans, or other loans - as well as future tuition bills and how much a surviving spouse might need to adequately fund a retirement nest egg.

You may want to consider a benefit that will cover all of these expenses. We generally recommend ten to twenty times your annual salary for breadwinners and special considerations for stay at home parents. That standardized approach may work for some people, but in reality, your decision may not be that simple.

### **Term Life vs. Permanent Life Insurance**

Once you have an idea of how much coverage you need, evaluate whether Term Life or Permanent Life insurance is more appropriate for you. Term Life is the more basic and less expensive (in the short run) form of life insurance. A term policy generally provides a specific amount of coverage for a predetermined period of time, typically 10 to 30 years. Premiums increase at the end of each term and can become prohibitively expensive. Benefits are paid only if the insured dies during the policy's term.

Permanent Life is intended to last your entire life and it may have a savings component. As the policy gains cash value, you may be able to borrow against the cash value tax free. (loans reduce the policy's death benefit and cash value, and may trigger a taxable event if the policy lapses). Permanent Life insurance includes different policies such as Whole Life and Universal Life insurance.

### **Potential Uses Throughout Life**

While ensuring the financial security of loved ones is a critical use of life insurance, there are other ways it might be used to meet planning goals throughout the stages of one's life. Individuals might consider using life insurance as an integral part of an estate planning strategy designed to pass wealth to future generations. It can be used to equalize inheritances among heirs. Furthermore, life insurance can also be used for charitable giving purposes. Business owners may even want to consider having life insurance for liquidity purposes.

Determining the right type and amount of life insurance coverage you need is easier said than done. To make the most accurate assessment, we encourage you to contact our office to speak with one of our advisors who are glad to discuss your unique needs. 🍷

<sup>1</sup> Life insurance policies are subject to substantial fees and charges. Death benefit guarantees are subject to the claims-paying ability of issuing life insurance company. Loans will reduce the policy's death benefit and cash surrender value and have tax consequences if the policy lapses.

# 3 Key Questions to Answer Before Taking Social Security



Social Security is one of many factors to consider as part of your financial planning strategy. There are financial implications to consider regarding the decision about when to start benefits. The answers to the 3 questions below may affect whether you make the most of this retirement income source.

## *When to Start? You Have the Choice of...*

1. Starting benefits at age 62
2. Claiming benefits at your full retirement age (FRA)
3. Delaying benefits until age 70

If you claim early, you can expect to receive a monthly payment that will be significantly lower than what you would have earned at your FRA. If you wait until age 70, you can expect to receive a significantly higher monthly benefit - 24% or more - than you would have received if you had begun taking payments at your FRA. The decision of when to begin taking benefits may hinge on whether you need the income now or can wait.

## *Should I Continue to Work?*

Work provides income, personal satisfaction, and may increase your Social Security benefits. However, if you begin taking benefits prior to your FRA and continue to work, your benefits will be reduced by \$1 for every \$2 in earnings above the prevailing annual limit. If you work during the year in which you attain FRA, your benefits will be reduced by \$1 for every \$3 in earnings over a higher annual limit until the month you reach FRA. After you attain your FRA, earned income no longer reduces benefit payments.<sup>1</sup>

## *How Can I Maximize My Benefit?*

The easiest way to maximize your monthly Social Security benefit is to simply wait until you turn age 70 before receiving payments.

There are many important factors and circumstances to consider before you decide to start taking Social Security. We welcome you to share this communication with friends and family who could benefit from learning more on this topic. If you have questions on Social Security or have other financial planning needs, we encourage you to contact us to speak with a financial advisor. ☺

<sup>1</sup> Social Security Administration, 2018

*This material is for general information only and is not intended to provide specific advice or recommendations for any individual. There is no assurance that the views or strategies discussed are suitable for all investors or will yield positive outcomes. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation.*



# RECENT EVENT



## Outlook 2021: Powering Forward

Areas of the economy have been damaged and may never fully recover, while other areas will adapt, reinvent and help reinvigorate growth. In our recent virtual event, **Ryan Detrick, Chief Market Strategist** with LPL Research provided a timely and relevant presentation on the economic impacts of COVID-19, along with an Outlook for 2021.

You can watch all playback recordings from our recent virtual events on our website at [www.covenantwealthstrategies.com/presentation-slides](http://www.covenantwealthstrategies.com/presentation-slides).

# UPCOMING EVENTS



### Social Security Preparing For Retirement

- How retirement benefits are calculated
- Options for married couples and divorcees
- Taxes and your retirement plan

Thursday, April 22nd | 4:00 pm ET | Zoom



*Join us as we welcome Karen Ireland from MFS Investments as our featured presenter.*

*MFS Investment Management® is not affiliated with Covenant Wealth Strategies or LPL Financial.*

### Estate & Legacy Planning

Thursday, May 20, 2021 at 4:00 pm ET  
Virtual - Zoom

- What Is An Estate Plan?
- Who Needs An Estate Plan?
- Wills, POA, Trusts



*Join us as we welcome Carolina Heinle from Crossland, Heinle & Bryde as our featured speaker.*

*Carolina Heinle, Crossland, Heinle & Bryde and Covenant Wealth Strategies, LLC are not affiliates of each other and make no representation with respect to each other.*

To register for upcoming events, please visit: [www.covenantwealthstrategies.com/events](http://www.covenantwealthstrategies.com/events)



# MEET THE COVENANT PETS!

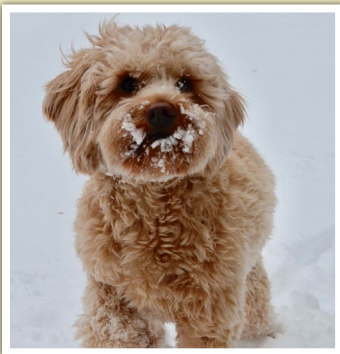


## ***Maggie and Schnickers*** - Ward Keever

In the words of our sons Chip & Daniel, bringing Maggie and Schnickers into our family has increased the “happiness quotient” in our home! Now that the boys have gotten married and moved out of our home, the puppies are a source of “conversation” in the house and are always glad to see Debbie and I when we come home from being out. Nothing quite like the greeting we receive from these two!

## ***Biscuit and Mooney*** - Michelle Fischer

Mooney and Biscuit are quite a humorous pair and always keep our family laughing. Mooney is the black and tan smooth dachshund and is also a retired show dog and proud grandfather. Mooney enjoys volunteering as a therapy pet with Faithful Friends. Prior to Covid-19, he would visit the Brackenville Center. He now enjoys making happy videos and sharing them with the residents of local nursing homes to spread a little cheer. Biscuit is the trouble maker in the family and likes to steal food from his 1-year old human brother. He was a rescue from Doxie Rescue of Bucks County. Both are very loved and bring a great amount of joy!

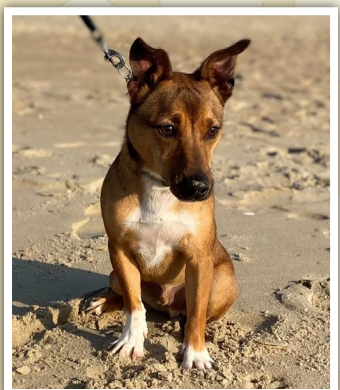


## ***Fitzgerald*** - Bill Lloyd

Fitz is a miniature golden doodle and was our first baby, just turning 5 in January. The first night we brought him home we ended up taking him to the emergency vet because we thought he broke his arm after falling off a step... a couple hundred dollars later he was running around and playing in the exam room, totally fine and completely injury free. He is a great “big” brother to Avery and Mason!

## ***Macie*** - Chris Vincent

Macie is a young 13-year-old Soft Coated Wheaten Terrier who loves chasing the kids around the house and back yard! We are blessed to have her as part of our “pack”.



## ***Rudy*** - Randy Eveland

We got Rudy in early 2020 and he has been a blessing to our family as we spent much more time at home than we had ever imagined!



### ***Finn and Mia*** - Tina Norcross

Finn and Mia are my rescue cats, both rescued as kittens. I adopted Finn when he was 10 months old from Faithful Friends, fostered Mia and eventually adopted her from Castaway Cats. Finn a big, gentle boy who is always looking for food. Mia is sweet girl who follows you around the house. She loves to be with people and hates being alone.

### ***Bonnie*** - Shelly Santoro

Bonnie is very particular about who she cuddles up to, especially in her old age! She was my company over the years when Pete was traveling, and since he has been working from home, she shares the love between the two of us.

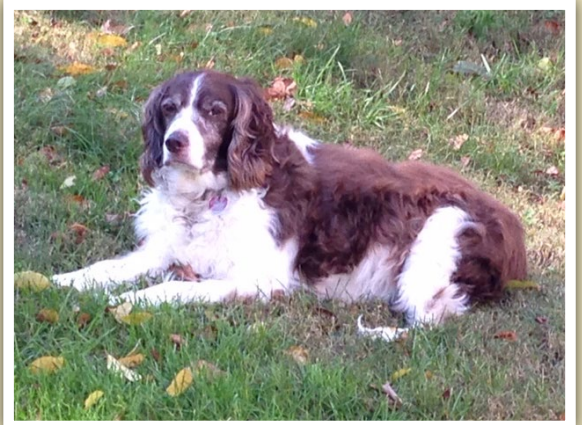


### ***Murphy and Layla*** - Lindsey McCaffery

Murphy and Layla are both rescued dogs from local shelters. They love to go on hikes and spend as much time as possible with their family!

### ***Noah*** - Deb Voshell

Noah, which means "rest and comfort", was the best dog. He made his way into my heart and definitely brought lots of joy to our family! He was known to join my voice lessons, howling along, and would have to be put outside - where he would continue to howl along until voice lessons were over. Noah loved the outdoors - so that wasn't necessarily a bad thing! We still miss him to this day!



### ***Brady & Becky*** - Cathy McMullen

We adopted Brady & Becky from Delaware Pet Rescue when they were 4 months old. Becky is super affectionate especially with her Daddy. Brady is definitely a morning guy and is mommy's love bug. Like any siblings they have their tiffs, but at the end of the day they love to snuggle together and be best friends watching the birdies outside.



# Forbes Recognizes Ward Kever and Team as a Best-In-State Wealth Advisor



**Forbes** has recently recognized G. Ward Kever IV, CLU, ChFC, RHU, AEP, CFS, AIF, CKA, President and CEO of Covenant Wealth Strategies and his team as a 2021 Best-In-State Wealth Advisor. This is the team's first year being recognized by Forbes. According to *Forbes*, the annual list spotlights the nation's top-performing advisors. Criteria for this award is evaluated based on a developed methodology including: personal interviews, industry experience and revenue trends, among other criteria.

"On behalf of LPL Financial, we congratulate Ward and his team for being recognized on this year's *Forbes* Best-in-State Wealth Advisors list. This past year has demonstrated that strong financial advice cannot be underestimated. We recognize Covenant Wealth Strategies for going above and beyond in delivering personalized financial advice and helping clients pursue their long-term wealth management goals," said Angela Xavier, LPL Executive Vice President, Independent Advisor Services.

*The Forbes Best-In-State Wealth Advisor ranking, developed by SHOOK Research, is based on in-person and telephone due diligence meetings and a ranking algorithm that includes: client retention, industry experience, review of compliance records, firm nominations; and quantitative criteria, including: assets under management and revenue generated for their firms. Portfolio performance is not a criterion due to varying client objectives and lack of audited data. Neither Forbes nor SHOOK Research receives a fee in exchange for rankings.*

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## Ward Kever and Team Named to LPL Financial's Elite Executive Council

LPL Financial has recognized G. Ward Kever IV, CLU, ChFC, RHU, AEP, CFS, AIF, CKA, President and CEO of Covenant Wealth Strategies and his team to its elite Executive Council for the first time. This preeminent award is presented to the top 0.6% of approximately 17,000 advisors nationwide, affiliated with LPL Financial. Ward and his team have previously been recognized in LPL's Chairman's Council for 7 consecutive years, representing the top 1.5%.

"We congratulate Ward and his team on this achievement, which exemplifies excellence in the financial services industry. Executive Council advisors represent the highest level of service that a financial advisor can provide to their clients and communities," said Dan Arnold, President and CEO of LPL Financial.

*Executive Council achievement is based on annual production and total revenues among LPL Advisors only.*

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### About Covenant Wealth Strategies

Covenant Wealth Strategies offers independent and comprehensive financial planning and investment strategies. As our clients' most trusted advisor, the team at Covenant Wealth Strategies is a catalyst, striving to build financial security, see dreams fulfilled and create enduring legacies. Our clients' success and well-being is our number one priority as we strive to put them in a position of strength to make educated decisions and achieve their goals.

Please contact our Covenant Wealth Strategies' office at 302.234.5655 or [contactus@covenantwealthstrategies.com](mailto:contactus@covenantwealthstrategies.com) if you are interested in learning more about how we can serve your financial well-being.



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