



SOUTHERN

— ADVISORS INC. —

ADVISOR'S CORNER



What is the Purpose of Estate Planning?

Estate management is about preserving the assets you've spent a lifetime building. It's about protecting your spouse, children, or other heirs and ensuring that your assets are distributed how and when you want them to be. Finally, estate management is about managing the amount of estate taxes that may be due after your death. There are some fundamental estate management principles that can enable you to manage your financial and personal affairs during your lifetime and distribute your wealth after death.

There are 2 important parts to Estate Planning;

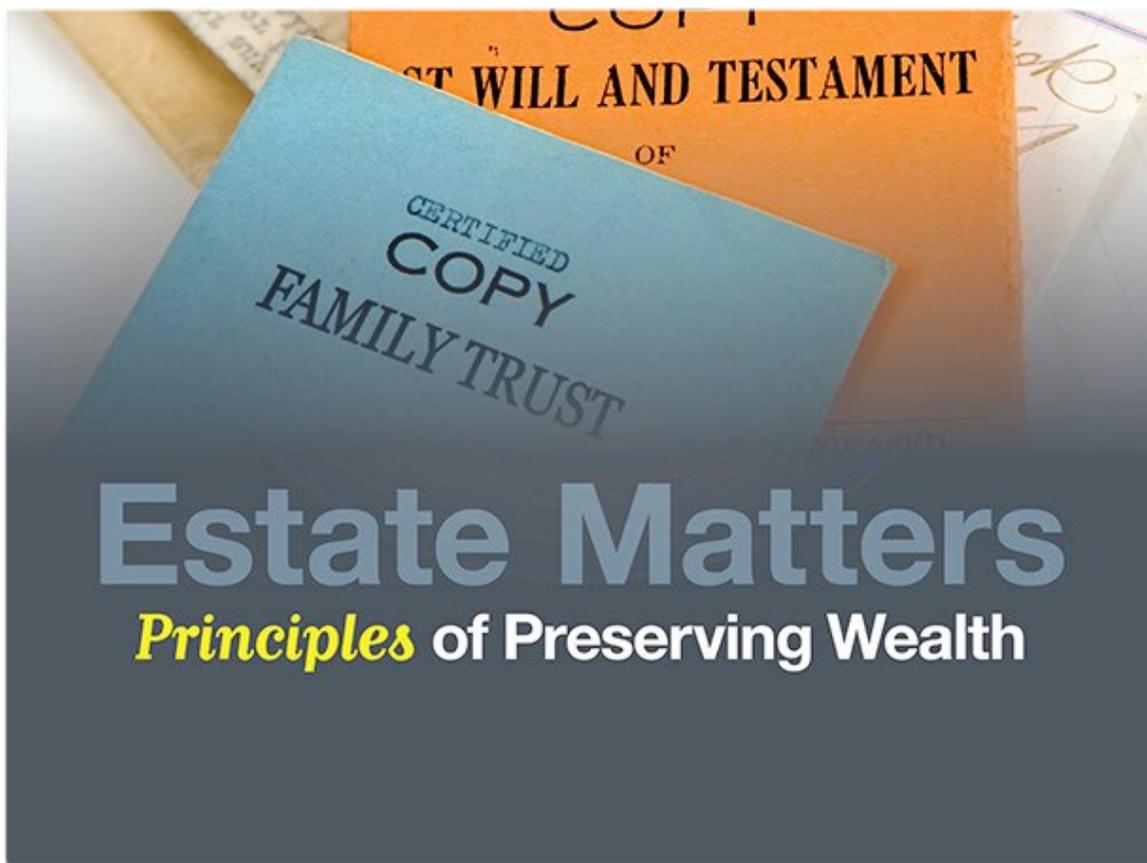
1. Managing your financial and personal affairs during your lifetime;
2. Distributing your wealth after your death.

Done well, estate management can make a huge difference. It can enable you to spell out your healthcare wishes in ways that may help ensure they are carried out even if you are unable to communicate. And it can help ensure that your possessions go to the heirs you choose, without the endless legal wrangling that can tie up your estate and cause deep divisions within your family.

Through effective estate management you can avoid needless expense in legal costs, and you can provide for loved ones who may not be protected otherwise. These issues are too important to trust to luck—you need to determine the outcome by planning in advance.

A will is the most basic estate planning document. A will tells the world exactly where you want your assets distributed when you die. A will is really the cornerstone of your estate. Your will names an executor to oversee the process of distributing your estate. Unfortunately, as important as they are, wills have shortcomings. Wills can be contested. In fact, the probate court will send out notice of the will to anyone who might have grounds to contest it. And if someone wants to contest it, there is the potential for a lengthy battle in probate court.

Since wills are essentially instructions to the probate court, they pretty much guarantee probate. The probate process can be expensive, and it can take many months or more than a year to resolve. And probate is a matter of public record.



A trust is a legal entity that can own property. Properly structured trusts completely avoid probate and avoid the delays and expense that often accompany probate. Trusts are not a matter of public record. They're a tool for maintaining privacy. Trusts can provide very effective management of your assets and their distribution to your heirs. And, even after your death, trusts can provide some measure of control over how assets are distributed to children and other beneficiaries. In addition, trusts are much more difficult to contest than a will.

First, you establish a trust. Then you transfer ownership of some or all of your property to the trust. That makes you the grantor—the one who “grants” the assets. Your new trust will then be managed by a trustee. And since you can make yourself the trustee, you don't actually give up any control over the property you put in the trust. In the trust document, you name those you want to inherit everything in the trust upon your death. You can change those choices if you wish; you can revoke the trust at any time.

When you die, the person you named in the trust document to take over—called the successor trustee—transfers ownership of everything in the trust to the people you want to get it. In most cases, the whole process can be handled quickly with some simple paperwork. And nothing has to go through the delays or expense of probate. Life insurance also can play a critical role in your estate management—particularly when used in conjunction with a trust. Life insurance can provide money to pay for estate expenses. It can be set up outside your estate. You can even gift life insurance policies.

That makes it a very powerful tool. Let's look at just one example:

Under this strategy, a person establishes an irrevocable trust and funds it. The trust then purchases a life insurance policy on the life of the person that established it. This effectively removes the life insurance policy—and its eventual benefit—from the person's estate.



**OUR USO CASINO NIGHT FUNDRAISER TO BENEFIT
CHEROKEE COUNTY VOLUNTEER AGING
COUNCIL IS NOW BEING
HELD ON NOVEMBER 9, 2019!**

DEAR FRIEND,

SOUTHERN ADVISORS IS HOSTING AN EVENT TO RAISE FUNDS FOR THE CHEROKEE COUNTY VOLUNTEER AGING COUNCIL (VAC) ON SATURDAY, NOVEMBER 9, 2019.

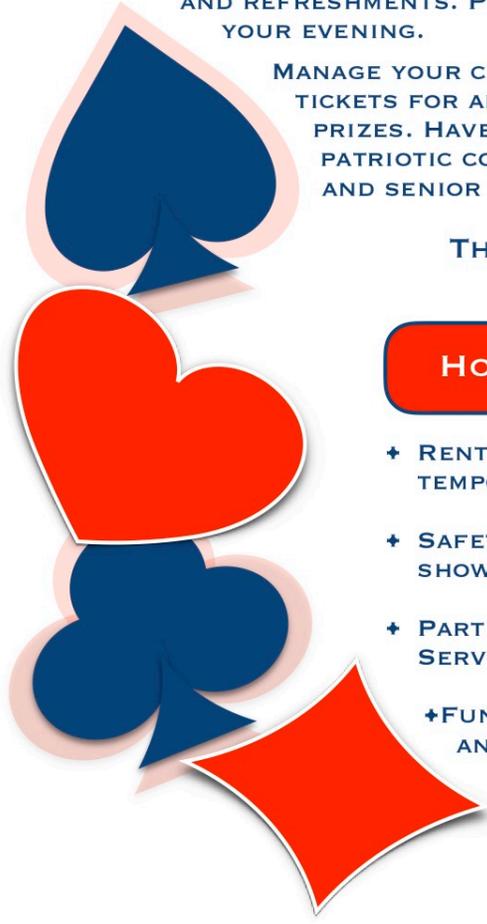
THE DOORS OPEN AT 6:00 PM AT SOUTHERN ADVISORS, 265 PARKWAY 575 WOODSTOCK, GA 30188. HELP US MAKE THIS THEIR LARGEST GROSSING FUNDRAISER OF THE YEAR. THE VAC DIRECTLY SUPPORTS PROGRAMS FOR STRUGGLING SENIORS AND SENIOR VETERANS IN CHEROKEE COUNTY.

THEY SUPPORT EXISTING PROGRAMS FOR SENIORS AND ALSO PROVIDE FINANCIAL ASSISTANCE WHEN OTHER OPTIONS ARE NOT AVAILABLE. ALL OF THE PROCEEDS FROM THIS EVENT WILL GO TO THE VAC.

THE EVENING WILL BE FILLED WITH GAMES, PRIZES, RAFFLES, MUSIC, AND REFRESHMENTS. PICK UP YOUR CHIPS AT THE DOOR, AND ENJOY YOUR EVENING.

MANAGE YOUR CHIPS WISELY AS YOU CAN TURN THEM IN FOR TICKETS FOR AN OPPORTUNITY TO WIN ONE OF OUR GREAT PRIZES. HAVE FUN AND WEAR YOUR MILITARY UNIFORM OR PATRIOTIC COLORS TO SHOW YOUR SUPPORT FOR SENIORS AND SENIOR VETERANS.

THANK YOU FOR YOUR SUPPORT!



HOW YOUR SUPPORT HELPS:

- ✦ RENT, UTILITIES, PHARMACEUTICALS, AND TEMPORARY HOUSING FOR THE HOMELESS
- ✦ SAFETY EQUIPMENT LIKE EXTENSION GRABBERS, SHOWER CHAIRS, AND RAMPS
- ✦ PARTNERSHIP WITH CHEROKEE COUNTY SENIOR SERVICES AND HOMELESS VETERANS
- ✦ FUNDS FOR PROGRAMS LIKE MEALS ON WHEELS AND LAST STOP

2018 Year End Contribution Reminders

Tax season comes quickly after the year comes to a close. In 2018, a few changes have occurred due to legislation that was created by the Tax Cuts and Jobs Act of 2017. One of the main changes was a lowering of tax rates and a near doubling of the standard deduction. Also, a number of expenses that were allowed as itemized

deductions in previous years have been severely restricted or eliminated. It helps to understand which changes were made so that you can get ahead of preparing your return. Here are some of the changes that were made that may affect you in 2018:

Changes To Itemized Deductions

In 2018, tax bracket numbers stayed the same. However, rates were reduced. The tax rate at the top of the scale was lowered to 37 percent. While the standard deduction increased, other changes to allowable itemized deductions may mean that you will actually have a higher tax bill to pay.

Tax prep fees, investment expenses, foreign real estate taxes paid, home equity loan interest that wasn't used for home improvement and personal exemptions are no longer allowable as itemized deductions. Alimony payments for any divorce that is finalized in 2019 or after will also be added to that list and be applicable in 2019.

A Change To Charitable Donations

Charitable donations can only be used as a deduction if you decide to itemize. However, if you do itemize and have any cash contributions that were made to public charities, those can be

deducted by as much as 60 percent of their AGI, which is up 10 percent from the previous limit which was 50 percent.



Tax Reform Only Offers A Few New Opportunities

There was a change in 529 plans. You now have the ability to use as much as \$10,000 per year from the plan to pay for tuition related to kindergarten through 12th grade. The advantage of using a 529 plan is that it provides tax-free withdrawals and tax-free growth at the federal level for all qualified expenses

Another change involves S corporations, partnerships and sole proprietorships. If you own one of these businesses, you may be eligible for a 20 percent deduction. However, this deduction does have some contingencies related to the type of business and the amount of income received.

Changes To The Alternative Minimum Tax For Individuals

There were also changes made to the Alternative Minimum Tax (AMT) for individuals. If you are married and filing jointly, exemptions have been raised to \$109,400. If you're single your exemption has been raised to \$70,300. These start to phase out at the \$1 million level if you are a couple and \$500,000 if you're single.

What Is The Best Way To Prepare

It's always a good idea to get started as soon as possible before the end of the year to understand how any changes in the tax reform will affect your filing. It also helps to use a professional tax advisor or CPA who understands the nuances of the new tax act. You want to make sure that you pay the appropriate amount for estimated taxes or for your withholding tax for the year

7 Surprising Ways Retirement Will Change Your Life

By Tom Sightings, Contributor
U.S. News & World Report
<https://money.usnews.com/money/blogs/on-retirement/articles/2018-09-13/7-surprising-ways-retirement-will-change-your-life>
Retirement alters the structure of your days, your friendships and even your marriage.

YOU CAN PLAN FOR IT, dream about it and try to visualize it, but there's no way to tell for sure what retirement will be like for you until after you've actually pulled the trigger and left the job. As you contemplate this major life change, remember to prepare for these potential retirement surprises.

The luxury of time. Initially, many retirees keep on doing what they've always been doing, except they don't go to work. There's more time for shopping, doing home repairs, seeing friends and playing golf. But after a while it begins to sink in: Time is a precious resource. People begin to reflect on their lives, start to say no to activities they really don't want to do and consciously focus on the important, more purposeful things in their lives

The need to re-establish some structure. Eventually the fantasy of never again having to punch a time clock or rush to the commuter train gives way to the reality that most people actually like structure in their days. Most retirees develop some sort of new schedule for themselves, whether it's twice-a-week volunteer work, a semester-long evening class, a regular golf or tennis game with a group of friends or even a [part-time paying job](#).

A search for fulfillment. Work often gives meaning to your life. Some retirees experience a kind of post-work crisis as they search for a new purpose that will give them a sense of fulfillment. Most retirees find the answer in helping other people in one way or another. They may [volunteer](#) to help kids with their homework, serve meals to elderly widows and widowers, coach a sports team or help raise their grandchildren.

What happened to my friends? Many retirees are surprised to find that their relationship with old work colleagues fades away as their interests begin to diverge. Other friends may die or move away. However, new friends come along with new activities. And many retirees reconnect with old school pals or long-neglected family members.

Who am I married to? Many couples are surprised to discover new sides to their spouse – sometimes for better, sometimes for worse. Couples often have to redefine their relationship after retirement, remembering why they fell in love with each other in the first place, and realizing that they don't have to share every interest or spend every minute of the day together.

I don't need this old house anymore. Some people expect to stay in the family home forever, dreaming of the grandkids coming over to spend hours in the basement looking at old family photos. But the reality is, the grandkids are probably not that interested. The aging house may also need a lot more maintenance than you initially thought. Some retirees find that [living in a condo complex](#) or renting an apartment where someone else takes care of maintenance and repairs makes life easier.

Where does the money go? Many retirees are surprised to discover that their money goes a lot further than they thought. Some areas have tax breaks for retirees. Commuting costs are gone, and maybe you don't need a second car anymore. And now that the kids are on their own, you no longer have to spend so much money on them. Many retirees find that they have extra money to travel, donate to charities, join sports clubs and go to the theater. But be careful. Keep some money in reserve for medical bills, because one common thread among retirees is that health care costs increase as you age.

The biggest surprise of all. Many people wonder why they didn't retire sooner, because retirement turns out to be even better than they thought it would be.

Hobbies are Good for You:

How To Find One That Fits Your Personality

Having a hobby is a great way to relieve stress, a creative outlet and a way to meet new people. In fact, there are lots of ways hobbies are good for you. But if you don't have a regular leisure activity that you enjoy, it can be difficult to decide which one will be enjoyable for you. Here are some tips for finding an interest that fits your personality and interests.

What is a Hobby?

Hobbies are simply anything you do that's for fun. You aren't getting paid to do it, it's something you like to do with your free time that helps you decompress and connect with other people.

For a lot of people these days it seems like their only leisure activities are watching television and catching up on Facebook. That's a shame, because hobbies—from rock climbing to collecting silver spoons—can have real benefits.

Why Hobbies Are Important

Hobbies often provide a **creative outlet** that you might not get in your everyday life. They allow you to do something that's just for you, that can help you forget your daily problems, unwind after a hard day and give you a lot of pleasure.

If you can find like-minded people in your area, an outside pursuit can also be a **great way to meet new people** and experience new adventures, whether that's taking on a new trail or going to a knitting convention.

Look to Your Past

Are there things you enjoyed as a kid that you might still enjoy as an adult? Maybe you had an awesome record collection, loved to sew clothes for your dolls or were always out on your bike. Those are all things you could pick up again as an adult that would make great hobbies.

Or there may be **hobbies in your home** right now that you started but have recently neglected. Maybe it's time to finish that crochet project or pick up the guitar again.

Go on a Scavenger Hunt

If something from your past doesn't immediately jump out at you, it might be useful to hit the crafts store, the sporting goods store or the nearest music emporium

or book store. Browse around and **see what captures your attention**. Maybe you find yourself drawn to the cookbooks or the scrapbooking section; this can give you a clue as to what you might be interested in.

Start Small

If you're adding a new thing into your life, you have to take time and focus away from something else. The good news is that most of us have a lot of time we're not using well, either because we're spending a lot of time online or watching TV or just wasting time we could be spending on our hobbies.

See if you can **carve out a half hour** or so every day or every other day to explore your interest. If there's a way to start small, such as going to play pool at a bar before investing in your own table or buying a craft kit instead of a ton of supplies, that would be best in case you find that hobby isn't for you after all.

Finding a Hobby that Fits

Of course everyone is different and your personality does play a role in what sorts of hobbies you'll like. If you don't have a lot of patience you might feel like quilting might be too much for you, but exploring quick sewing projects might be a better choice.

Maybe you really like hanging out with friends, so you need to take a class or have an interest that you can do with a group. If you travel a lot, something portable or that you can do anywhere is helpful; if you're a homebody you might love to be surrounded by a cool collection.

Think about the **things you already like** and how they might expand. If you're always ordering fun drinks, maybe you could learn to make some at home. If you can't resist the colors in the paintings at your favorite restaurant, perhaps you should pick up some paint or a camera and explore color in your own way.

The truth is you may not hit the perfect activity for you right out of the gate, but you can have a lot of fun trying out new things and exploring what's out there. Do some web searches, visit the library, don't be afraid to try new things, and soon you'll have a hobby that provides you with a lot of fun and stress relief, too.

A Hoppin' Spring BBQ Dish



Buffalo Mac n' Cheese

If you love buffalo chicken wings, you're going to love this spicy twist on an all-time favorite comfort dish. Buffalo chicken meets mac n' cheese. How can you possibly go wrong?

Here's what you'll need:

- 12 oz. elbow pasta or shells
- 3 cups shredded carrots
- 4-quart sauce pot
- 1/2 cup low-fat (1%) milk
- 1/2 teaspoon garlic powder
- 2 cups finely grated sharp Cheddar cheese
- 1 cup crumbled blue cheese
- 3/4 cup crumbled blue cheese
- 3/4 cup plain nonfat Greek yogurt
- 1/4 cup buffalo hot sauce
- 1/8 teaspoon salt

Directions:

1. Cook pasta as label directs, adding shredded carrots to boiling water just before draining. In 4-quart sauce pot, heat milk and garlic powder on medium until hot. Slowly stir in Cheddar and blue cheese until melted and smooth. Remove from heat. Whisk in Greek yogurt, buffalo hot sauce, and salt.
2. Toss with pasta and carrots. Garnish with parsley.

*Recipe adapted from Delish



Up &
Coming
Events

April: Principles of Retirement Planning - a *ONE* night SRE course held on **April 9th, 11th, 16th, or 18th.**

May: Principles of Retirement Planning - a *ONE* night SRE course held on **May 14th, 16th, 21st, or 23rd.**

November: Our **USO CASINO NIGHT FUNDRAISER** to benefit Cherokee County Volunteer Aging Council is now being held on **November 9th from 6-10pm.** Watch for your email to purchase tickets. We are limited to the first 100 people. Ticket price is \$75 each.

**Call our office if you or a friend are interested in attending any of our events*

Don't forget you can also connect with us on our Facebook page!



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