



GOTLEIB & ASSOCIATES, LLC RETIREMENT PLANNING

WWW.INVEST2RETIRE.COM

1120 Route 73, Suite 305 • Mt. Laurel, NJ 08054
856.482.6100 • 800.644.4204 • Fax 856.482.5362

Gotleib & Associates and Bridge Wealth Advisors are separate entities from LPL Financial. Securities offered through LPL Financial, Member FINRA/SIPC.



Leo A. Gotlieb, CFP®

financial SUCCESS

JUNE 2013

SPECIAL EDITION

We hope this letter finds you well and moving toward a beautiful summer! We have been working hard on improving the service we provide to you, our Client. We have launched our revamped website with a new modern look and we encourage you to visit us at www.invest2retire.com.

We have also created a new

entity named Bridge Wealth Advisors. Bridge is the Wealth Management division of Gotlieb & Associates for fee based asset management. You can visit us at www.bridgewealthadvisors.com.

In addition, you can follow both Gotlieb & Associates and Bridge Wealth Advisors on Facebook, Twitter {[@GotliebAssoc](https://twitter.com/GotleibAssoc) /

[@BridgeWealthAdv](https://twitter.com/BridgeWealthAdv)} and LinkedIn.

The Social Security Seminars we held throughout New Jersey and New York over the past few months were very successful and our Clients received important information on maximizing benefits. Our goal is to continue to bring you seminars on topics that are pertinent in today's world.



We have also added new technology that our clients can access free of charge anytime, anywhere. eMoney is a personal financial website where you can link all of your financial accounts. Investment prices are updated throughout the day

providing detailed interactive views and up-to-date reports on cash flow, investments and more. Also included in this service are budgeting tools, tracking of your spending and a personal vault for all of your important documents, including wills, trusts, etc. Other features include tracking your frequent flyer miles and credit card points. Be sure to ask your Advisor or a staff member about this comprehensive service.



The most exciting news for Gotlieb & Associates and Bridge Wealth Advisors is that we have partnered with a market research firm to harness the power of statistical probabilities and mathematical precision. This advanced modeling tool makes trades based on relevant market pricing, taking emotional

trading decisions out of the equation. This technology monitors price trends to identify asset classes that are showing strength and then makes investment recommendations in these asset classes, even if the recom-



ELITE ANALYTICS LLC

mended investment is cash.

Please speak to your Advisor during your account review to determine if you are eligible to participate in this program.

If you would like to receive our Weekly Economic Commentary and Weekly Market Commentary newsletters each week via email, please email us at GotleibAssociates@invest2retire.com. You may view all of our newsletters on our website.



We encourage you to review the beneficiaries you have named on your accounts. This is essential if you experience any major changes in your life, such as divorce, the birth of a child or grandchild, or death. Keep in mind, the beneficiary named on your account trumps whatever is listed in

your will.

You may designate primary and contingent beneficiaries. If your primary beneficiary dies before you do and you haven't named a contingent beneficiary, your account may be treated as if you hadn't designated a beneficiary at all.

Why do I need a Will?

And other frequently asked questions about Estate Planning.

Submitted by: Steven A. Loeb, Esquire, Fein Such Law Group

1. Why do I need a Will?

A Will indicates to whom your property will pass upon your death, and how the property will be distributed. Most people have an idea as to who they would like to distribute property to upon their deaths, and a Will is the instrument that allows you to realize those ideas. No matter the size of your estate, a Will is an important document. A Will is the only documents in which you can name Guardians for your minor children. If you have a large estate, a Will can provide estate tax savings. If you are benefiting a person who is a minor or disabled, you can establish a trust for their benefit in your Will which will allow a responsible person to decide how to use the money you have left for their benefit.

2. What happens if I die without a Will?

Most people aren't aware of this, but if you haven't executed a Will, the State of New Jersey has one for you. Dying without a will is called "intestacy". If you die without a Will, or "Intestate", the statutes of the State of New Jersey will determine who administers your estate and to whom the property will pass. Many people are surprised by what the intestacy laws say. If you are married and have children, your property will not

automatically pass to your spouse. Instead, your spouse will receive the first \$50,000, and the balance will be split between your spouse and your children. If your children are minors, the assets will be placed in special custodian accounts with a person the court names as custodian. Your spouse may need to account to the court as to how he or she spends the share that has passed to the children. This is usually not what the Intestate person would have intended.

3. What is a "Living Will"?

A so-called "Living Will" is a document that states what type of medical care you would like to receive should you become terminally ill and not able to make decisions on your own accord. Unlike a regular will, it is used when you are alive, not upon your death. In our Living Wills we ask you to consider a variety of medical situations and indicate how you would like to be treated if that situation were to arise. A companion document to a Living Will is a Health Care Proxy or Health Care Power of Attorney. In this document you name someone to make medical decisions for you in the event you are unable to do so yourself. You do not need to be terminally ill for the Health Care Proxy to take effect,

just unable to make a decision for yourself. You should make sure your doctor has a copy of your Living Will and Health Care Proxy. We also recommend you keep copies in your nightstand, glove compartment, and take a copy on vacations with you, so that your wishes will be known in the event of an emergency.

4. Do I need a Power of Attorney?

Yes. A Power of Attorney is an extremely important document. It allows a person that you name to make financial decisions on your behalf. A Power of Attorney can be limited, as in the case where you give the attorney the power to close on the sale of your home, or general, where your attorney-in-fact (the person you empower under the Power of Attorney) can take any and all actions with your finances that you would be able to take. A Power of Attorney can either take effect immediately and continue to be effective if you become incapacitated (a "Durable" Power of Attorney) or become effective once you become incapacitated (a "Springing" Power of Attorney). We generally recommend a Durable Power of Attorney so there is no question of if the document is effective or not - with a Springing Power of Attorney the

Continued on page 3

Continued from page 2

Power Holder would need to show proof, acceptable to the third party, of your incapacity.

5. What is a Trust?

A trust is an arrangement where one person, the Trustee, holds the managerial power over certain assets for the benefit of another person or persons, the Beneficiaries. The Grantor or Settlor is the person who creates the trust. The Trustee is not allowed to use the assets in the trust for his or her own benefit in the capacity of the Trustee. All of the assets must be managed and distributed for the benefit of the Beneficiaries. A trust is very flexible in that the Grantor may also be a Trustee or Beneficiary, and a Beneficiary may be a Trustee. There are many different reasons for creating a trust, either while you are alive (an "inter-vivos trust") or in your Will (a "testamentary trust"). Some of the most common reasons to set up a trust are to provide for minor or disabled beneficiaries, to make gifts to beneficiaries where there is concern about the beneficiaries controlling the assets, to protect assets from creditors, and to take advantage of certain exemptions and exclusions in the gift and estate tax laws.

6. What is a Living Trust or a Revocable Trust?

A Living Trust or a Revocable Trust is a special type of trust where the Grantor is both the Trustee and Beneficiary during his or her lifetime. A Revocable Trust is essentially a Will substitute, as it will control the distribution of your assets upon your death instead of your Will. All your Will says is "distribute any assets passing through my Will to my Revocable Trust". There are specific situations where is appropriate to use a Revocable Trust. One is if you live in a state with a lengthy

and expensive probate process – luckily New Jersey has a very simple and inexpensive probate process ("probate" is the process of offering a document as your Will and the court agreeing that it is your Will and should control the distribution of your assets). Another reason is privacy – a Will is a public document which a Revocable Trust is not. A further reason is due to the types of property that you own. For instance, real estate owned in another state is subject to a probate proceeding just for the real estate in that other state – this can be expensive and time consuming. If the Revocable Trust owned the

real estate instead of you, the additional probate process would be avoided. Also, it can be beneficial for IRA or Qualified Plan assets to be payable to a trust to achieve some tax savings and control the distribution of the IRA or Qualified Plan to your beneficiaries.

7. Will a Will or Revocable Trust help me save taxes?

Maybe. Either a Will or a Revocable Trust can be designed to help you reduce the tax burden on your estate – there is no tax advantage to one versus the other. If your Will or Revocable Trust has been drafted to reduce taxes, it is important that you hold title to, or own, your assets in the proper way to take advantage of the tax savings created in your estate planning documents. Your Will distributes only property titled in your sole name with no beneficiary. Joint property passes to the joint property holder, outside your Will. Property with a named beneficiary, such as an IRA, insurance policy, or POD bank account, passes to that named beneficiary on your death, outside of your Will. Accordingly, you can have the most tax friendly Will in the world, but if none of your assets are distributed through it, it won't save

you any taxes.

8. How much does a Will cost?

It depends. The fees for creating an estate plan can range from a few hundred dollars to a

few thousand or significantly more. It all depends on what kind of assets you have, who your beneficiaries are, and most importantly, what your goals are. Every situation is different. During an initial consultation, one of our attorney's sits with the client and reviews their assets, beneficiaries and goals. We then make recommendations based on that client's

unique situation. Many times we are able to offer a range of flat fees for our services. Other times our services are billed on an hourly basis. At the conclusion of each initial consultation we follow-up with a letter to the client outlining our recommendations and stating our fees.

9. How do I contact someone about creating an estate plan?

If you need to create an estate plan, or update your existing one, we would be happy to review your situation and recommend a plan of action. You should first contact Steven A. Loeb, Esq. in our Tax, Trusts and Estates and Elder Law Department to find out what to expect from an initial consultation. You can either send an e-mail to sloeb@feinsuch.com or call him at 973-538-4700 x229. You can then download our Estate Planning Questionnaire Packet at www.feinsuch.com/library/estate_questionnaire_packet.pdf. When you complete the package and mail it in, we will contact you to set up an appointment. We look forward to being of service.

This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor. You are not obligated to use the services of the Fein Such Law Group. You may contact us for additional referrals.

As always, we welcome your questions and comments. If you have a friend, family member or co-worker who you feel would benefit from the services we offer, please feel free to pass our contact information along to them.

The Social Security Administration is no longer mailing your Social Security statement. It can now be accessed online at www.socialsecurity.gov. When you log on you will be asked to establish a username and password, provide identifying information and answer questions in order to pass verification.

It is a good idea to check your statement online at least once per year to ensure accuracy. This statement provides estimates that can be used to plan for retirement. In addition, the portal also includes links

to information about other online services, such as applications for retirement, disability and Medicare.

You should also review your credit report annually to be sure it is accurate and check for identity fraud. If you log onto www.annualcreditreport.com, you can access your credit report from all three agencies - Equifax, Experian and TransUnion. You will need to provide identifying information and answer questions in order to pass verification.

The law requires only that



you be provided with a free report from each of the credit reporting agencies each year, which does not include your credit score. You can order your score either online or by phone. Prices vary but typically are \$15 or less.

Social Security Disability & Medicare

Submitted by: Barbara D. Tilker, Pasternack Tilker Ziegler Walsh Stanton & Romano LLP

As people get older, they are more likely to become disabled. After working for years, they are no longer able to continue working as they once did. Due to their inability to keep working at jobs that they have held for years, many individuals opt to receive early retirement benefits when they turn 62. However, many of these individuals might be eligible for Social Security disability benefits, which confer several advantages to them.

The advantages include a higher monthly benefit and, in some cases, earlier entitlement to Medicare. Even if someone has already taken early retirement, an application for disability benefits can be filed. If approved, the individual would become entitled to the higher disability benefit. However, filing an application for disability benefits can be most advantageous for an individual who becomes disabled shortly before turning 62.

Consider the individual who is injured at age 60 and is no longer able to work. He decides to live off his savings until he turns 62, at which point he files for early retirement. He would be far better served

by filing an application for disability benefits, as he would be entitled to a larger monthly benefit earlier. The “disability freeze” must also be taken into consideration. If he waits until age 62 to file for early retirement, he will have posted no earnings for two years. This lack of earnings will lower his early retirement benefit. However, if Social Security finds that he was disabled for this period, his lack of earnings is due to the disability and does not affect his monthly benefit amount.

Earlier entitlement to Medicare is also an important consideration. After an individual has received disability benefits for 24 months, he will automatically be enrolled in Medicare. This is an important consideration for many, as they may be paying for an individual policy or for COBRA coverage. Their entitlement to Medicare can both allow individuals to receive higher quality medical care and boost their monthly income as Medicare is generally less costly than COBRA or an individual policy.

The disabled individual is not the only one who can receive benefits. If he or she has children under

the age of eighteen (18) or enrolled in high school, the children can also receive benefits. The amount that each child receives is dependent upon the number of eligible children and is subject to a family maximum (that is, the most a family can receive based on one worker’s earnings). Individuals can also receive other benefits while getting Social Security disability, such as workers’ compensation, long-term disability, and a private or public pension.

There are many benefits to applying for disability benefits instead of early retirement benefits. Even if an individual is already receiving early retirement benefits, they may still file an application for disability benefits. In fact, anyone who has paid enough into Social Security (generally, one must have worked five (5) of the ten (10) years prior to the onset of disability) may receive disability benefits. The only individuals who cannot file for Social Security disability benefits are those who have reached full retirement age (currently age 66). While not everyone will qualify, individuals who meet the requirements for disability should apply.