

STRATEGIC STEWARDSHIP

Guiding You Through Life's Transitions



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Why Do You Need a Will?

According to the global analytics firm Gallup, only about 44% of Americans have created a will. This finding may not surprise you. After all, no one wants to be reminded of their mortality or dwell on what might happen upon their death, so writing a last will and testament is seldom prioritized on the to-do list of a Millennial or Gen Xer. What may surprise you, though, is the statistic cited by personal finance website The Balance: around 35% of Americans aged 65 and older lack wills.^{1,2}

A will is an instrument of power. By creating one, you gain control over the distribution of your assets. If you die without one, the state decides what becomes of your property, with no regard to your priorities.

A will is a legal document by which an individual or a couple (known as “testator”) identifies their wishes regarding the distribution of their assets after death. A will can typically be broken down into four parts:

***Executors:** Most wills begin by naming an executor. Executors are responsible for carrying out the wishes outlined in a will. This involves assessing the value of the estate, gathering the assets, paying inheritance tax and other debts (if necessary), and distributing assets among beneficiaries. It is recommended that you name an alternate executor in case your first choice is unable to fulfill the obligation. Some families name multiple children as co-executors, with the intention of thwarting sibling discord, but this can introduce a logistical headache, as all the executors must act unanimously.^{2,3}

***Guardians:** A will allows you to designate a guardian for your minor children. The designated guardian you appoint must be able to assume the responsibility. For many people, this is the most important part of a will. If you die without naming a guardian, the courts will decide who takes care of your children.

***Gifts:** This section enables you to identify people or organizations to whom you wish to give gifts of money or specific possessions, such as jewelry or a car. You can also specify conditional gifts, such as a sum of money to a young daughter, but only when she reaches a certain age.

***Estate:** Your estate encompasses everything you own, including real property, financial investments, cash, and personal possessions. Once you have identified specific gifts you would like to distribute, you can apportion the rest of your estate in equal shares among your heirs, or you can split it into percentages. For example, you may decide to give 45% each to two children and the remaining 10% to your sibling.

A do-it-yourself will may be acceptable, but it may not be advisable. The law does not require a will to be drawn up by a professional, so you could create your own will, with or without using a template. If you make a mistake, however, you will not be around to correct it. When you draft a will, consider enlisting the help of a legal, tax, or financial professional who could offer you additional insight, especially if you have a large estate or a complex family situation.

Remember, a will puts power in your hands. You have worked hard to create a legacy for your loved ones. You deserve to decide how that legacy is sustained.

1 - <https://news.gallup.com/poll/191651/majority-not.aspx> [4/24/18]

2 - <https://www.thebalance.com/wills-4073967> [4/24/18]

3 - <https://www.nolo.com/legal-encyclopedia/naming-more-one-executor.html> [12/3/18]



Terry Ford*, CFP®, CKA®
tford@strategicsteward.com



Ed Fortier*, CFP®, CKA®
efortier@strategicsteward.com



Lee Penland*
lpenland@strategicsteward.com



Michael Pemberton*,
RICP®, CKA®
mpemberton@strategicsteward.com

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- Advisors offering wealth management advice and services with excellence
- Creating close relationships with our clients on a long-term basis
- Encouraging the charitable and stewardship aspirations of our clients for the wealth that has been entrusted to them

Protect Your Legacy Through Vehicle Ownership Transfer



It's not unusual for parents to continue to lend a financial hand to grown children after they've moved out into the world. Sometimes that help is benign, such as providing financial assistance in paying student loans or mortgages. However, there are times when that aid can have disastrous consequences. There may be issues if a parent doesn't formally transfer ownership of a vehicle to a grown child who's no longer living in the family home.

Why transfer ownership?

It's important to protect yourself by transferring ownership of vehicles to grown children after they leave the house. Here's why:

A personal automobile policy provides two types of liability coverage:

1. Broad coverage that follows the **insured** when renting or borrowing a car
2. Coverage for the **driver** of a vehicle listed on the policy

The problem is: These two may not be the same person. And a personal auto policy only provides the **broad** coverage to a **resident of your household** related to you by blood, marriage or adoption. Household has been defined in courts as the home in which the named insured on the policy primarily resides. So homes otherwise owned or rented by the named insured don't qualify. In the case of a child who grows up and moves out, the grown child now simply becomes a permissive operator - and only has coverage while operating the vehicles listed on the policy.

Coverage in Action

Let's look at a few claim situations that show how and why ownership transfer is so important:

- Your child borrows a friend's truck to move some furniture and rear-ends another vehicle, seriously injuring the other driver. Your child has no coverage under your policy and the truck owner's policy has state minimum limits. The end result is that your child will be sued along with the driver.
- Your child rents a vehicle while on vacation. If they don't purchase the insurance offered, they have no coverage at all, and even if they do purchase coverage, the limits may be insufficient for any bodily injury or property damage they may cause.
- Your child is a passenger in a friend's vehicle and they're rear-ended, causing serious injuries to your child. The medical payments and uninsured/underinsured motorist coverage from your policy don't follow or apply to them.

Protection for your present and your future

You've taken care to review your own risk exposures and purchase limits that are adequate to protect your hard-earned nest egg. Now let's look at your child's exposure and protect their future earnings. We understand how to protect who and what matters to you most. Talk with us and we'll help you decide if transferring the ownership of your vehicle is your best option. Please call us at the office at 678-888-0419 if you would like to review your specific situation.

Think: Now, Then, and Ten

Tough decision? Try the 10/10/10 Rule

When you must choose between options that seem equally desirable or promising, you might want to look at the decision through the lens of the 10/10/10 Rule. This rule, attributed to former Harvard Business Review editor Suzy Welch, asks you to weigh a decision from three perspectives, using three questions.

The first question: How will I feel about this choice 10 minutes from now? The second: How will I feel about this choice 10 months from now? And, lastly: How will I feel about this choice 10 years from now? The core of the 10/10/10 Rule is that your decision should ultimately reflect your strongest responses to these questions. For example, if you are thinking about buying a personal watercraft, but doubt strongly that you will head out on a lake with it more than two or three times a year, you may feel great shortly after you buy it, but really regret the purchase ten years on. If you are considering starting a workout regimen, you may feel lousy ten minutes in – but your mind will also let you know that if you keep working out for ten months or ten years, you may look and feel better. Even making minor decisions using the 10/10/10 Rule may let you see these decisions in a new context.

thesimpledollar.com/putting-the-10-10-10-rule-to-work-in-your-life/ [2/12/18]

Teachable Money Moments

Too often, kids grow up with little interest in or understanding of financial matters. Just five states (Alabama, Missouri, Tennessee, Utah, and Virginia) require high school students to take a course in financial literacy. It may not surprise you that recently, when the FINRA Foundation offered a financial literacy test to consumers, only about a third of the test-takers passed.

The good news is, life offers plenty of opportunities to communicate the value of money to your kids or grandkids.

Take the beginning of a year: you and your child or grandchild can set a money goal; perhaps, to save or earn a certain amount. Before age ten, you can teach the importance of weighing choices when spending.

You can hand a child several dollars in a supermarket and ask him or her to select what fruit or cereal the household should buy; this is a grown-up moment in which you can share lessons about value, the nature of saving, and why you make one buying decision over another.

For preteens and teens, you can explain the value of saving versus spending and the concept of opportunity cost; you can also discuss expenses for college, and how higher education can be funded.

All these opportunities link financial concepts to everyday life.

forbes.com/sites/margueritacheng/2018/06/18/financial-literacy-is-the-greatest-gift-of-all [6/18/18]





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2018 Tax Documents & Filing Your 2018 Return

Itching to get your 2018 tax return filed? In general, our plea is, "Don't rush." The anticipated dates for mailing tax documents is now mid-February, and you may get "corrected" documents through the end of March. Many brokerage companies now routinely request a 30 day extension from the IRS due to late reporting from the companies representing the assets held in your account. Your brokerage company only wants to send you one correct tax information form. Otherwise they have to send out a revised and corrected tax reporting form. If you've already filed your tax return, it could result in you having to file an amended tax return at the federal and state levels.

Every year, NFS (custodian) provides information regarding the upcoming tax reporting season. This year's delivery dates begin with Online Activation on January 18 for Retirement Tax Forms, (5498, 1099-R). 1099s are activated on January 26, February 16, March 2 and March 8. All forms are mailed within 5 business days of the Online Activation dates, which are subject to change.

On January 28, an Original Tax Form Status report will be available in Wealthscape (if you have access) for a list of your accounts. This report will provide the expected tax form activation date for the majority of the tax forms and will also provide mailing cycle information for 1099s. To generate this report, log in to Wealthscape and follow the instructions below:

- Navigate to "Menu" at the top right hand corner
- Select "Reports and Alerts" and click on "Reports"
- At the top of the "Reports" screen, type "Tax"
- Select the drop down under the menu column and click "Original Tax Form Status"
- Select "Edit" or "View"
- If "Edit" is selected, click "Report Output" to choose if you would like to view the report online or via Excel

If you assets with another custodian, their mailing times will most likely be similar.

Easy "No-Peek" Stew

There is still plenty of winter left to enjoy this easy and hearty stew!

2 pounds stew meat (don't brown)
 1 bunch carrots, cut in chunks
 1 cup celery in large pieces
 3 onions, quartered
 Pepper to taste
 ½ Tablespoon salt or to taste
 1 large can drained tomatoes
 Optional: 3 tablespoons pearl tapioca (or cornstarch) for thickener

Put all ingredients in a 5-qt. Dutch oven. Cover and bake in the oven for about 5 hours at 250°. Don't peek!

This is a very forgiving recipe. Cook at 300° for 3 hours and it's fine. Use less or more meat; it's fine. Skip the tapioca or cornstarch; it works. Use crushed tomatoes without thickener; I think it's better. Add some cut up potatoes to give it a little more oomph, and it's great.

If you've only done a stew like this in the crock pot, I urge you to try it in the oven. I think the taste and texture are far superior.

