

"60 MINUTES" USED THREE-LEGGED STOOL STORY

On a recent "60 Minutes" segment about how many people lost 40-50% in their 401ks, they referenced the Three-Legged Stool method of retirement income planning.

When most companies provided a pension, the plan for getting retirement income was based on three different sources: 1) Social Security, 2) Pension and 3) Savings. Thus, the three-legged stool. Since most companies have eliminated pensions, the three-legged stool cannot stand alone.

For years, we have promoted the three-legged stool concept and in place of a pension, we use principal protected accounts that have a guaranteed lifetime income option.

With these accounts, you can receive a lifetime pension without giving up your principal. So, even though the three-legged stool is not available through your employer, you can create one on your own.

Many companies allow a tax-free distribution from your 401k to a self-directed IRA. In your self-directed IRA you can have an account as described above and create your own Three-Legged Stool. Call us at 1-877-630-8787 for more details.

IS THIS YOU? NEW MEMBER OF FAMILY

You and your wife are in your early-60s and your daughter and son-in-law just had their first child, and your first grandchild! While other children's sounds were noise, your grandchild's sounds are music and he is the cutest little boy you've ever seen. You now want to make sure he has every advantage, especially the means to go to college.

Well, this was me and Winnie. What did we do? We reviewed our legal documents and made sure he was included. Then we started a college education fund for him and plan to add to it each year. Life events, such as a grandchild, give you a different perspective on life. One should review their stuff to make sure he/she will be OK.

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SEMINAR DATES

Topics include:

**No Blood, No Money Trusts &
Medicaid Protection Strategies**

Tuesday, May 19th

Cafe Escadrille, Burlington

Thursday, May 21st

Lombardo's, Randolph

Seminars begin at 10:00 AM

Call 1-877-630-8787 for reservations



Rich's Grandson, Wesley Richard Moore

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WHAT'S HAPPENING WITH... RICH

It is amazing how quickly time passes. Our grandson, Wes, will be celebrating his first birthday on May 25th! Of course, he likes the boxes more than the presents, but he'll soon learn. Wes crawls now but will walk soon which will make life around the house a little more difficult. He only wants the stuff he can't have.

Congratulations to our son, Ryan, who will receive an MBA from Babson in May. Happy Mother's Day to all!

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SAM

There will be no new picture this month, but things have certainly been busy. My youngest of four, Harrison, received his First Communion (picture to appear next month). After the church ceremony, we combined his party with my niece's First Communion party. It is nice that they are growing up together. Everyone was there and, as usual, there was a lot of food. My father was also at the party. He had a bad fall about three weeks ago, but is doing fine now.

Last, but not least, my wife, Eileen, turned another year older. No, I cannot tell you how old she is, just that she's older than 21 and younger than 50!

LIST OF GIVEAWAYS

Over the years, we have developed the following informational giveaways and each week we offer one of them on our radio show, *Protecting Your Wealth*. If you would like any of the following, request one on the enclosed reply card and we will mail it to you, free of charge:

- | | |
|--|--|
| 1. Medicare Booklet | 2. Life Estates |
| 3. To Trust or Not to Trust | 4. 5 Things to Know About Naming Beneficiaries |
| 4. Asset Protection Strategies for the Pensioner | 5. 6 Best Ways to Protect Assets from Nursing Home |
| 6. 6 Most Common Mistakes Made by IRA Owners and Beneficiaries | 7. How to Sleep Better at Night and Stop Worrying! |

Rubino & Liang is a referral-based company.

Refer a prospect to us and put yourself in our drawing for a restaurant gift certificate!

Best Wishes!

Richard Rubino and Sam Liang

Don't forget to make your
seminar reservation today!
Call 1-877-630-8787

PPA: PENSION PROTECTION ACT

Recently, the US government passed the Pension Protection Act. Part of the Act deals with long-term care insurance riders on what is called a “Combo Product.”

A Combo Product is either a life insurance contract or annuity contract that has a long-term care benefit attached to it. Some of the long-term care provides for home care in addition to nursing home care.

The Pension Protection Act permits tax-free payouts for qualified long-term care expenses.

It is important to review your current annuities and life insurance policies to see if these provisions are included. We review these contracts on a regular basis. Let us review your contract, free of charge. Call us at 1-877-630-8787.

IS THIS YOU? PROTECTING YOUR HOUSE FROM NURSING HOME

Jane is 78 years old and recently widowed. She has three children and six grandchildren. Her children live close to her and see her almost every day. She’s in good health and intends to stay in her home for the rest of her life. Jane’s neighbor went into a nursing home five years ago and her home will be lost due to the cost of care. Jane does not want this to happen to her. She wants her home to go to her three children.

Solution: Jane sets up a Life Estate Trust that allows her to live in her home the rest of her life and then passes to her children. The trust protects the home from attachment after five years.

There are other factors that must be considered such as, what if Jane changes her mind and wants to sell the property.

We use this strategy quite often and it usually requires two meetings to complete. Please call Rich at 1-877-630-8787 to discuss this trust.

WALL STREET JOURNAL REPORT

Included in the April 18, 2009 *Wall Street Journal* was a Guide to Retirement Planning and Living section. The headline was “Getting Smart About Annuities.” The feature went through different types of annuities and discussed their pros and cons. The article was very good but still not complete. They did not have a clear explanation of *lifetime income guarantee benefits*.

For those of a certain age, the term “Made in Japan” meant “not of good quality.” Many years ago, when something was labeled “Made in Japan” the connotation was that it wasn’t very good. Now, in 2009, “Made in Japan” is synonymous with quality.

The same is true with annuities. Years ago the quality was not that good but these days, the quality is superior. Fixed annuities have principal protection, guaranteed growth and guaranteed lifetime income. Some you can turn into a pension without giving up principal. Some pension options come with an on/off switch.

So, if at one time you owned a Plymouth and now you own a Toyota, you should revisit the use of fixed annuities as part of your portfolio. Call Sam at 1-877-630-8787 for details.

IS THIS YOU? 401K UNDERWATER - CAN I RETIRE?

John is 58 years old and plans to retire at age 66. His retirement accounts went down 30% in 2008 and he doesn’t know if he can still retire on schedule. He wasn’t sure whether he should switch all of his money in his 401k to the money market or if he should wait it out. Not sure what action to take, he did nothing, and from January 2009 to present he lost another 20%. Is this you?

Many are in the same situation. Unfortunately, most 401ks do not have principal protection choices other than a money market earning less than 2%.

Solution - John can look into transferring some of his 401k to a self-directed IRA. There is no tax due on the transfer and he would have unlimited choices as to where to put part of his IRA. Choices are the key.

John Conley has a list of companies that allow in-service distributions. Call John at 1-877-630-8787 for more information.

CORRECTION!!!

In the last newsletter, we stated that the yearly cost of a nursing home could be as high as \$320,000. Well, it was a typo. Current nursing home costs in our area are as high as \$120,000.

Not that \$120,000 per year makes you feel any better! It is still a lot of money.

If you want to protect your assets for your spouse, children or grandchildren, you have to take some action. Pre-Plans take five years to become effective. So, start now! Call Rich to discuss what type of pre-plan is right for you.

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Trivia, Anyone?
In the 1960 movie, *Spartacus*,
who played the title role?

- A. Tony Curtis
- B. Kirk Douglas
- C. Kurt Russell
- D. Charlton Heston

Those who call with the correct answer are placed in a drawing for a prize of two movie passes to AMC Theatres. Take your best guess and give us a call at **1-877-630-8787**

IS THIS YOU? PROTECTING A PENSION

Is this you? Husband is 72 years old and receives a pension of approximately \$50,000 per year. His wife is also 72 and receives a smaller pension and social security of approximately \$24,000 per year. They have a residence worth about \$450,000. They have three children and six grandchildren. They live comfortably on their income. They also have about \$500,000 in joint bank accounts and wife has a small IRA. Their problem is not outliving their money. Their problem arises if one of them has to go into a nursing home.

If husband went into nursing home and the cost of care is \$100,000 per year, his pension goes with him. He has a nursing home bill of \$100,000 and his income (pension) is \$50,000. He has to pay the bill, so he gives \$50,000 to the nursing home and the other \$50,000 comes out of their joint account. For Medicaid purposes, if you have a bill, and you have enough income to pay the bill, then you have to pay it. In this case, the pension is not protected.

Because both husband and wife are healthy and live primarily on their pensions, they could transfer some from their bank account into a specially designed trust, or bullet proof box, for wife’s benefit. The trust will protect those funds for wife if husband has to go into nursing home. The asset protection trust would allow wife to turn the funds into income for her alone. If husband went into a nursing home, they would not be able to use wife’s income to pay the bill. Sound simple? Well, not yet. You also have to pick a trustee that you *trust*.

There are a lot of moving parts to this strategy so make sure you explore it with someone who has done this before, like us. Call Rich at 1-877-630-8787 to discuss the pros and cons.

**DON'T FORGET TO LISTEN TO
PROTECTING YOUR WEALTH
WRKO 680AM Sundays 9am-10am
WBZ 1030AM Sundays 8pm - 9pm**