

PROTECTING YOUR ASSETS- WHERE TO START?

Many of our clients want to protect their assets if a nursing home is needed. The question is where to start? Protecting assets from a nursing home can be accomplished in two ways. One, you can insure for it. There are many new financial products that combine living benefits with other financial benefits that help with the cost of long-term care. Many of these products can be obtained without having to medically qualify. Two, if you don't own it, they can't get it. Usually, the first step we take to protect assets is with the use of trusts. For example, you have a home that is paid for and want to protect it if you have to go into a nursing home. You're 75 and do not plan to move. Our solution? A Medicaid protected Life Estate Trust that allows all the benefits of that home, or homes, but after a five year look back the home is 100% protected if a nursing home is needed. We typically build escape hatches into each trust so you are able to direct this if you want to sell.

This is a good starting point that has little to no downside. Call and ask for our Life Estate article for an explanation, or better yet, make an appointment so we can show you how a properly drafted No Blood, No Money Life Estate Trust will help you sleep better at night.

ROLLING A 401(K) INTO A NEW EMPLOYER'S PLAN

It's up to your new employer's plan. Companies aren't required to let workers roll 401(k) money from other company plans. You could be better off rolling the money into a traditional IRA. Or you can roll all or part of the account into an IRA that can be turned into lifetime income.

When deciding whether to shift the money to your new employer's 401(k) or move it to an IRA, compare the investing options and fees. You'll have more investment options with the IRA. Call us at 1-877-630-8787 for some guidance.

WHAT'S YOUR BUCKET LIST?

No, I'm not talking about a ride in a hot air balloon or a trip to Italy. I'm talking about how to get retirement income.

One of the more innovative ways to ensure retirement income is to create different buckets of money to be used at different times.

For example, Bucket #1 can be used for years one through five. Bucket #2 would be used years five through ten. Bucket #3 is used for years ten through fifteen and Bucket #4 for years fifteen and beyond.

The real question is what do you put in the buckets? If you want predictable income delivered at a specific period of time, you need something to accomplish that. The last decade has shown us that some of the more traditional ways of saving, i.e, buy and hold, no longer work. We use predictable, insured accounts to fill the buckets. This method is not for everyone, but should be looked into by all. Call us at 1-877-630-8787 for a free "bucket" analysis and demonstration.

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WHAT'S HAPPENING

RICH

Spring brings many celebrations for our family. We'll celebrate the birthdays of our son, Ryan, in March, our daughter, Jamie, in April, and our grandson, Wesley, will turn two in May.

In addition, in April we'll celebrate the wedding of my cousin Frankie's daughter, Valentina. Most of the Rubino family, with the exception of Wesley and my mother, Connie (at age 94, it is too difficult for her to travel) will be going to Italy for that celebration. I will tell you about it in the next newsletter. Thanks to everyone for tuning in.



Our grandson, Wesley, again makes the front page!

SAM

The picture you see below was taken during a Chinese New Year celebration. This year is the Year of the Tiger. My mother is a wonderful cook, and as usual, I ate too much. We all enjoyed a wonderful evening.

Many have asked how my father is feeling after being in and out of the hospital. I'm happy to report that he is doing well! Many thanks to all of you who have sent good wishes. My youngest son, Harrison, turned nine and we took him and his best friend skiing. Also, my nephew, Chris, and his wife, Autumn, just had their first baby, a beautiful girl named Kenzie. Congratulations!

Now we are turning our sights towards Spring. Let's hope it arrives soon!



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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

LIFE INSURANCE TRUSTS

There is a common misconception that life insurance proceeds are not subject to tax. While the proceeds are received by the beneficiaries free of any **income** taxes, the proceeds are countable as part of your taxable estate and therefore can be subject to federal and state estate taxes. To avoid any potential estate tax issues, it is advised to use an Irrevocable Life Insurance Trust (ILIT). An ILIT is created specifically for the purpose of owning your life insurance policy. A properly established ILIT removes your insurance policy from your estate, thereby reducing or eliminating any potential federal and/or state estate tax on the death benefit. The proceeds can then be used to provide your estate with the liquidity to pay estate taxes, pay off debts or to provide income to a surviving spouse or children. A skillfully crafted ILIT can also enhance your ability to direct how the insurance proceeds will provide for your loved ones. Once the ILIT is drafted, your new or existing life insurance policy is transferred to the trust. Cash can also be transferred to the trust to cover future premium payments. The trust owns the policy and is also the designated beneficiary. The trustee (someone other than yourself) pays the insurance premiums, manages the trust and follows the trust directions upon your death. It is also important to understand that if you currently own an existing policy and want to transfer it to an ILIT you will need to survive the date of transfer by three years or the proceeds will be included in your estate. Let us help you establish an ILIT that is coordinated with your entire estate planning picture.

CHECKS FOR VETS

There is a little known benefit for Veterans. It is a veterans benefit to help wartime service veterans and their surviving spouses receive VA pensions to pay for long-term care. It is called an Aid and Attendance and Housebound Pension. Simply put, if you were a veteran at a time when our country was at war, your income is not sufficient to pay for your medical needs, and you have no more than \$80,000 in liquid assets, you might qualify. For example, a WWII veteran who was in the service for more than 90 days, has a home and \$280,000 in funds. His social security is \$2,000 per month. He moves into an assisted living facility which costs \$2,000 per month. He needs \$4,000 but is only receiving \$2,000. We would transfer \$200,000 out of his name and into a trust (there is no look back period on the transfer to trust). Now, the veteran has only \$80,000 and needs additional income to pay for the facility. The Veterans Aid and Attendance will give him a life pension of approximately \$1,900 per month to help cover the costs. There is also a spousal benefit of a lesser amount. We have been successful in helping veterans obtain this benefit. If you need more information, call to get our handout *Misconceptions about Veterans Aid & Attendance Benefit*.

THE IMPORTANCE OF INSURANCE POLICY REVIEWS

The recent downturn in the economy could have adversely impacted your existing policy. This market slide has negatively affected some insurance products, such as variable life or whole life insurance policies, since they are commonly tied to the stock market or current interest rates. These policies may not be working as initially projected or intended, therefore, we urge you to revisit your current policy. From a planning perspective, now may be an excellent time to revisit your policy or look to add life insurance as part of your current estate plan. In 2008 and 2009 life insurance carriers have introduced a CSO 2001 Mortality table to price insurance policies. This new mortality table, which allows for the extension of premium payment period along with a de-emphasis on cash value in certain new products, has had a dramatic impact on policy pricing. You should be aware of this because there may be an opportunity to reduce the cost of existing coverage or look into purchasing a new coverage at more competitive costs especially for older insureds. In addition, life insurance companies are now offering policies with Living Benefits. Living benefits can include accelerated benefit provisions that allow you to use some or all of the death benefit for long-term care costs. For example, if you have a \$500,000 policy, you can use up to 2% per month (\$10,000/month) for home care if you have lost 2 out of 6 "activities of daily living." There are numerous options available. Therefore, it makes sense to evaluate your existing coverage for possible improvements. Call Rich to find out more.

CD ALTERNATIVES

With bank rates so low there are few safe havens for money. If you want to follow those Two Rules (Rule #1 - Just don't lose the money and Rule #2 - Don't forget Rule #1), a choice might be a short-term fixed annuity. Short-term can be three to five years. The rates change frequently and currently you can lock into rates about 4%. The interest earned is not taxed unless you use it and all fixed annuities are guaranteed up to \$100,000 by the Mass State Guarantee fund, and are backed by the reserves held by the issuing annuity company.

With tax-deferred annuities, companies will usually allow all interest to be distributed and allow up to 10% of the total withdrawal to be withdrawn without penalty each year.

Rates change weekly. If you are looking for something safe and short-term, give us a call.

A PERFECT RETIREMENT

I recently read an article in Kiplinger's entitled "Ten Steps to a Perfect Retirement." They are as follows: Step One: Determine how much you will need to live on in retirement. Step Two: Determine how much you want to live on in retirement. Step Three: Determine your tolerance for taking risks. Step Four: Make all your decisions based on what's probable, not what's possible. Step Five: Determine the kind of assets that will give you the returns you need to achieve your goals. Step Six: Combine those assets in the right proportions into a portfolio that's tailored specifically for you. Step Seven: Learn to recognize and control the expenses of investing. Step Eight: Make sure you understand enough about the tax laws to avoid giving Uncle Sam a bigger-than-necessary cut of your money. Step Nine: Establish the right distribution plan that will give you the income you need in retirement along with the peace of mind of knowing you won't run out of money. Step Ten: Put everything you do on automatic pilot.

The ten steps make sense but how do you make it happen? Knowing how much you spend is the first key. Knowing what other sources of income you will have is the second key. Knowing how to take income to cover the shortfall is the third key. Ask for our latest informative handout "Failure Is Not An Option." Then come in for a personalized, no-obligation consultation to get more information and a road map to successful retirement planning.

Trivia, Anyone?

Sophia Loren became a true film star after her role in which US movie?

- A. The Pride and the Passion
- B. Boy on a Dolphin
- C. Houseboat
- D. Yesterday, Today and Tomorrow

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**

THE RISK OF JOINT ACCOUNTS

If you want to make sure your children get your bank or brokerage accounts, a joint account may seem like a good idea. Upon your death the joint account bypasses probate and goes directly to the heirs. In many cases, the risks of joint accounts outweigh the advantages. The risks are 1) an account can be attached if a child gets sued, 2) If you and your child pass away in a common accident, proceeds might go to an unwanted heir (remember "no blood, no money," and 3) The child has full access to your account. Joint accounts with small amounts of money are OK, but if you want to be in control of your assets, avoid probate, protect your assets from your children's creditors (and unwanted spouses), you should have a trust.

Trusts come in all shapes and sizes. They were once for the super-rich only, but now they are used by everyone that wants to avoid probate, keep the assets in the family, avoid or eliminate estate taxes and make sure your wishes are carried out. For those who want to protect assets if a nursing home is needed, you can use our specially designed Life Estate Trust. This can hold both money and real estate. After a 5 year period of time, all assets in this type of trust are protected.

Set up a time to discuss how a properly drafted trust will enhance and protect your estate. We offer a free, no-obligation consultation to help you better understand how a trust can help you.

WELCOME BETH BOUCHER

Please welcome Beth Boucher, the newest member of the Rubino & Liang family. Beth will be our Director of First Impressions.

The next time you call, or come in for a visit, please take a moment to introduce yourself to Beth.

DON'T FORGET TO LISTEN TO PROTECTING YOUR WEALTH
WRKO 680AM Sunday 9am-10am
WBZ 1030AM Sunday 8pm - 9pm
WBOQ 104.9FM Saturday 7am - 8am
WCRN 830AM Saturday 11am - 12pm, Sunday 2pm - 3pm