

## CREATING A BULLET-PROOF BOX FOR REAL ESTATE

Is this you? You have worked all of your life and instead of investing in the market, you bought real estate. You now have three pieces of income property that generate enough income for you to live comfortably in retirement. You are reluctant to sell because of the high capital gains tax. You want to protect the property if a nursing home is needed and you want your children to inherit the property as is. You have done well and now its time to protect the asset.

Remember the story of The Three Little Pigs and the Big, Bad Wolf? In order to protect themselves, one pig built a house made of straw, another built a house out of sticks and the other built a brick house. The wolf came along and blew down the straw and stick houses but couldn't blow down the brick house, no matter how hard he huffed and puffed. We set up Asset Protection Trusts that are designed to hold real estate. Once the real estate is put into the trust, it is protected (subject to look back rules). You, your spouse and children can still collect rents, you still owe taxes and have maintenance responsibilities, but the real estate is in a brick house that cannot be attached for Medicaid purposes.

Of course, we use No Blood, No Money rules for the brick house. This is not a fairy tale; it is reality. Call Rich for further information.

## DO YOU KNOW HOW LONG YOUR MONEY WILL LAST?

We see this all the time. People enter into retirement without a clue on how they are going to get income, where it will come from, and how long the money will last.

With longevity (Rich's mother just turned 94 and Sam's father is 97) comes risk. Will you outlive your money?

We have a program called How Long the Money Will Last. We input the following into the program: what you need for income, what you get for income (pension, social security), how much you are starting with, how old you are and when you want to begin withdrawals. This is a valuable tool for peace of mind. Let us prepare a How Long the Money Will Last analysis for you. Call the office at 1-877-630-8787.

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

## GUARANTEED GROWTH

Have you looked at the 3, 5 or 10 year history for your funds lately? The average return over those time periods are many times less than 5%. Why take all the risk for minimal gains, or in many cases, losses?

If you are 50 years old or above, taking chances with your money is very dangerous. Just ask those people who retired in 2008. I recently saw a TV commercial where the gentleman said something like, "My broker said if you make money I make money, but what he didn't say is when you lose money, I still make money." If you want predictability and guaranteed returns you have to leave the market and get into accounts that guarantee and insure your money.

There are accounts that will guarantee a return of 7.2%. This might not be for everyone, or for all of your funds, but it is worth taking a look at. Call Sam to discuss if these types of accounts are appropriate for you.

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## WHAT'S HAPPENING

### RICH

Summer is over and Fall is here. Our son, Ryan, received his MBA from Babson in May and was employed by the beginning of August. He interviewed at three companies and all offered him a position. He is now working at a mid-sized consulting firm. We are very proud of him.

Our grandson, Wesley, got his first haircut in September. He sat on his dad's lap and didn't cry, scream or fuss. We are very proud of him, too! Everyone else is doing just fine. Our daughter, Jamie, is back to teaching and Winnie takes care of Wesley one day a week.

Happy 94th Birthday to my mother, Connie, still young at heart.

### SAM

I know this comes a bit late, but thanks to all who donated to my PMC ride this summer. I raised over \$9,500 and the cause raised close to \$30,000,000 - all to fight cancer. The ride is a two-day, 190 mile event and it was very tough, but I had a lot of fun and many laughs along the way. I am already looking forward to next year's ride.

The Fall is in full swing. My daughter is involved with field hockey for the first time and the boys are all playing soccer. This month we will celebrate my father's 97th birthday! I will post pictures in the next issue.



Wesley's First Haircut

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Sam and family at PMC Ride

## A MONTHLY CHECK WITHOUT WORRY

Is this you? All you want is a monthly check. We have seen many individuals over the years and have concluded that most do not pay attention to what they have. When the market is up they open their account statement and read with delight about how well they are doing. They don't make any changes and file the statement. If the market is down, many don't even open the statement and do not act on the bad news. In other words, most are just bystanders to their own accounts. Is this you?

One definition of insanity is making the same mistake over and over thinking you are going to get a different outcome. If you want to put some sanity and reality into your life and stop worrying, you should explore accounts that will deliver to you at retirement a check each and every month regardless of market fluctuations. Creating a Core Account with part of your retirement savings is a crucial part of planning. It stops the insanity!

## THE EMPEROR'S NEW CLOTHES

Do you remember the story The Emperor's New Clothes? If you don't, here is the story in a nutshell. The Emperor, who was very much into clothes, hires two men who promise him the finest suit of clothes from the most beautiful cloth. They charge him an enormous sum and say he is all set. They also tell him that the cloth is invisible to anyone who is either stupid or unfit for his position. The Emperor cannot see the non-existent cloth but pretends that he can for fear of appearing stupid. He then walks in a procession to show off his new clothes. During the course of the procession, a little boy shouts, "The Emperor is naked!"

What does this have to do with our business? Well, quite a bit. Many times we review current legal documents, such as a trust, to see if they comply with current law and client's wishes. More often than not the trusts are not funded. This means that there is nothing inside of the trust and they are therefore "naked." In order to make your plan work, you need to complete the job. The proper funding of a trust is crucial to its success. For a review of your trust to see if it is properly funded, come in for a complimentary meeting with Rich. Call us at 1-877-630-8787.

## PROTECTING MONEY FOR HEIRS

Is this you? You want to protect money for your heirs but do not want to tie it all up. We recently saw a couple in their mid-70s. The husband was not in good health but his wife was (she was 70). They came in with their son who lives close by and helps them with everything. They have a home and about \$250,000 in a bank account. They want to protect their assets if one or both of them go into a nursing home. We set up a Medicaid Protection Trust and transferred both the house and \$150,000 of their money. They haven't used these funds for years. The family wanted full access to the funds and no adverse income tax liability.

The 70 year old spouse qualified for the Inheritance Builder. The way this works is that she puts \$150,000 into a guaranteed single pay life insurance policy. The immediate death benefit to heirs is \$277,943. The best part is that this is truly a "if I change my mind" product. If she needs the \$150,000, the policy can be cashed in without any charges and the full amount is returned with some interest (this depends on when you cash it in.) If the policy is left in the trust proceeds, \$277,943 will pass to heirs 100% tax-free. This is a very good strategy to use if you qualify.

## FUNDING A SPECIAL NEEDS TRUST

On occasion, we will get a client who has a special needs child. Whether it be a couple or single individual, they want to provide that child with all the care and monetary needs for as long as they live. Many set up a Special Needs Trust established for the benefit of the special needs child to make sure he/she does not get disqualified for benefits. The question of funding the trust always comes up. Funding means getting assets into the trust. This can be done in two ways: 1) Funding while you are living, and 2) Funding after you pass away. You can also use a combination of both.

Funding, or at least partially funding, while you are living is the most foolproof way. You can make sure there are funds in the trust. There are special types of funding vehicles you can use. Your choices depend on your age, the beneficiary's age, your need for funds while you are living, your health, etc. There are many factors in making the funding decision.

Go over all your choices now because the more time you have to fund a trust, the more you will accomplish.

## OLD ANNUITY REVIEW

We often see individuals who have older, inappropriate annuities. Annuities come in various forms and types. Some are good, some are bad, and others are mezza mezza (in the middle).

There have been advances in the annuity market place that have made tax-deferred fixed annuities much more beneficial. For those who don't know what a tax-deferred fixed annuity is, it is an account that cannot lose money and you do not pay taxes on the interest added each year unless you use it. Newer versions of fixed annuities solve a multitude of concerns. In addition to NOT losing the money, they can provide a lifetime income benefit, guaranteed growth in excess of 7% and long-term care enhancements. Under new Federal regulations, if money is taken out of an annuity for long-term care purposes, those funds come out income tax free.

Bottom line - if you have an older annuity with gains, you can switch to a newer version tax-free and have a long-term care benefit built in. Call us for more information.

*Trivia, Anyone?*  
**Paul Newman, who passed away in 2008, was nominated for an Academy Award 9 times. How many times did he win?**

- A. 2
- B. 3
- C. 1
- D. 0

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**

## SHOULD YOU PURCHASE LONG-TERM CARE INSURANCE?

With the aging of our society, people are living longer and longer. The question that comes up often is whether or not one should buy long-term care insurance. Much of what we hear is the "just shoot me" plan or "I'll never go into a nursing home" plan. Unfortunately, it may not be your choice. It will be the choice of your caregiver, spouse or children.

Health is a risk. You have a choice with risk: avoid it, reduce it, accept it or insure for it. Long-term care insurance is insuring for risk.

We have a different approach - reduce risk as much as you can. Many clients have reduced their risk to zero with the proper legal documents. Others have reduced risk to 20% of their assets.

For example, let's say your total estate is valued at \$1,000,000 (for both real estate and money). If we can protect \$800,000 by using an appropriate legal structure, that is an 80% solution. You can then either accept the remaining 20% risk or insure for it.

So, before getting long-term care insurance, take the steps to reduce your risk. To find out how to do this, set up a free consultation with Rich. Call our office at 1-877-630-8787.

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