Maximizing Your Social Security Benefits
Make Sure You Get What You Deserve

You may not be able to choose the percentage you contribute to Social Security, but you can determine how much you receive. Benefit amounts depend not only on your earnings history, but also on the age you start taking benefits and the strategy you take where a spouse is concerned.

Social Security benefits are calculated by averaging your income for your 35 highest earning years. (You may not be eligible for any benefits if you do not work at least 10 years.) If you work less than 35 years, zeros are averaged in. On the flip side, your lowest income years will be dropped from the calculation if you work more than 35 years.

Benefits are also determined based on when you file and may be claimed as early as age 62. But, full retirement is age 65 if you were born in 1937 or earlier. The age gradually increases until it is age 67 for those born in 1960 or later. Claiming benefits at age 62 results in the lowest benefits. Benefits increase approximately 8% per year between age 62 and age 70, in some cases doubling the annual payout.

So how can you increase the amount you receive? Make sure you work at least 10 years, even if only part-time; earning $4,800 is sufficient to receive the credit for a year. Wait to claim benefits for as long as possible since every year you delay results in an 8% higher annual payout for your lifetime. Consider filing for spousal payments since a spouse can claim benefits based on his or her own work record or on 50% of the higher earner's benefits, whichever is higher.

Finally, don’t earn too much at a job if you do take benefits early. If you are under full retirement age, $1 is deducted from every $2 earned over $15,480 and $1 for every $3 earned during the year you will reach full retirement age. Once you reach full retirement age, there is no limit to how much you can earn.

Social Security claiming strategies can be complicated, so talk to a professional before making a decision. If you need a referral for a financial planner who can help you with your options, feel free to contact our office to speak to an attorney.
ALS
Estate & Medicaid Planning for ALS

Amyotrophic Lateral Sclerosis (ALS), also known as “Lou Gehrig’s Disease,” is a progressive neurodegenerative disease that causes the brain to lose voluntary and involuntary control over muscle movement. Early on, sufferers gradually lose muscle tone and control. In time, they have increasing difficulty speaking, swallowing, and breathing. In the final stages, an ALS patient may require constant medical care.

A number of resources are available if you or someone you love is diagnosed with ALS. The Packard Center for ALS Research at Johns Hopkins University provides information on care centers, medical institutions, and support groups for patients and families. To view this list and other valuable resources, visit www.alscenter.org.

The ALS Therapy Development Institute (www.als.net) also provides comprehensive information as well as community resources.

As soon as you or a loved one is diagnosed with ALS, it is vital to begin planning for the unique legal and financial situations that may result. Some individuals require significant short and long-term care. Some retain mental capacity, while others may not. Therefore, you need to set up powers of attorney and health care directives to cover medical and financial needs as soon as possible. Medicaid pre-planning is also important to ensure the individual can take full advantage of all government programs and benefits. A Medicaid Trust and other planning can put necessary strategies in place to help preserve much of the estate from high medical costs associated with care for ALS.

If you or someone you know has been diagnosed with Lou Gehrig’s Disease, call our office to schedule an appointment to take the important legal and financial steps necessary.

Saying Goodbye From the Heart
How to Give a Meaningful Eulogy

We’ve all attended funerals where the person delivering the eulogy clearly didn’t know the deceased. A few clichés and platitudes later and the deceased seems less like a beloved relative or friend and more like a stranger.

If you are given the honor (and it is an honor) of delivering a eulogy, don’t feel intimidated. Delivering an effective eulogy is actually easy if you remember two important tips.

First, think about a story that illustrates what made the person special. It could be how he did his job, how she cared for others, or how he supported a cause. Don’t be afraid to tell a humorous story. A funeral is a celebration of a life, as well as a time to mourn a death.

Then get personal. Don’t simply say who the person was; say what the person meant—especially to you. Be sincere. Be genuine. Express your true feelings. Through you, the audience will feel a little closer to the deceased and will take home a few more memories to cherish forever.
What’s in a Legacy?

She had not one but two amazing careers. She began her film career at age three, received a special Juvenile Academy Award, was photographed more often than President Franklin D. Roosevelt, and was the top box-office draw for four years in a row before she retired from films at age 22.

Years later, she was named a Representative to the United Nations, was appointed the U.S. Ambassador to Ghana and then Czechoslovakia, and served on the boards of organizations like the Walt Disney Company, Del Monte, Bank of America, and the National Wildlife Federation.

Today, she has a star on the Hollywood Walk of Fame, a life-size statue on the Fox Studio lot, and her handprints remain in the cement outside Grauman’s Chinese Theater. Yet to many she may be better known for being, in the words of Henry Kissinger, a “very intelligent, very tough-minded, very disciplined” diplomat. Saying she had “had enough of pretend,” Shirley Temple Black left Hollywood to forge an outstanding legacy of public service both in Hollywood and in government.

What will your legacy be?

Review Your Estate Plan
Pay Special Attention to Beneficiary Designations

Chances are your personal and financial situation has changed over the years. Maybe you’ve gotten divorced, re-married, had children, or now have a blended family. It’s possible the life changes you’ve experienced may have caused a change in your wishes regarding who should inherit your assets when you pass away.

A common problem is that many people forget to update their estate planning documents to reflect these changes. One issue often overlooked could be your beneficiary designations. Say you set up a 401(k) years ago and made your then-spouse your beneficiary on the beneficiary designation form. If you divorce and remarry and fail to change the beneficiary designation, the proceeds will go to your ex-spouse, regardless of whether your current spouse is listed as the beneficiary in your Living Trust.

Retirement plan beneficiary designations are also critical in terms of getting a “stretch” for distribution. If you name an individual beneficiary, that individual’s life expectancy determines the distribution rate: the longer the life expectancy, the lower the amount that must be withdrawn each year. Choosing a younger beneficiary increases the “stretch” period and the tax-deferral benefits. (Of course funds can also be withdrawn at a much faster rate if not controlled by an agent or Trustee.) In some cases, you can name a Trust as the beneficiary and still “look through” to the ages of the Trust beneficiaries.

So what should you do? First, periodically review your beneficiary designations for retirement plans, bank and financial accounts, and life insurance policies. Make sure the beneficiaries chosen are up-to-date and are effectively coordinated with your overall estate plan.

Then consider a Trust as a beneficiary. When carefully and thoughtfully crafted, a Trust could be a beneficiary of retirement funds, resulting in potential divorce and creditor protection, management by a Trustee, and possible exclusion from the taxable estate of the beneficiary.

Also consider performing periodic estate plan reviews with our office so your plan is up-to-date with major life or financial changes. Estate planning is a lifelong activity, so make sure your estate plan evolves along with you and your family.
When a Paycheck Isn’t Everything

The old cliché, “Do what you love and the money will follow,” should possibly be changed to, “Do what you love and life will follow.” Studies show that people who work in the years between ages 50 and 70 are half as likely to die as those who are fully retired.

One reason is that engagement with others tends to prolong life. Of course you can feel more engaged by working, but you can also feel more engaged by volunteering, participating in a hobby, or contributing more to your family and community.

There are other benefits to working—whether as an employee or as a volunteer—past retirement age. Many retirees retrain and pursue careers they really love. While they may not earn as much money as they did in their earlier career, they enjoy the work or the flexibility of their new jobs.

Other retirees soon realize they miss the social aspects of work; continuing to feel relied upon and valued is extremely fulfilling. While some may enjoy the mental stimulation.

Many careers create “golden handcuffs,” where the work itself is not enjoyable but the paycheck is necessary. The beauty of “retiring” is that it frees up retirees to participate in work or activities they choose.

What would you do if money became less of an issue? Would you spend more time with family? Would you pursue a hobby? Would you enjoy working in a different field? The key is to evaluate your interests, your values, and your goals—both professional and personal—and chart a course that ensures your “retirement” years are even more fulfilling and meaningful. Do what you love... and life will follow.

Compliments of
Raymond J. German and Joshua M. Muro

Raymond J. German oversees a practice devoted to providing clients with the best in estate planning. With one of the most successful estate planning practices in the area, Raymond J. German and Joshua M. Muro are frequently sought out by clients and other professionals who want their advice on developing successful businesses and estate plans. The German Law Group has been helping local families with their legal needs for the past 35 years.

As a friend of our firm, we ask that you please recommend us to your family and friends; they will receive a free ninety minute consultation with one of our attorneys when they attend a free seminar.

For a FREE Report on Family Wealth Trusts or to register for one of our upcoming seminars in your area please call our office at (800)774-7576 or visit our website at www.germanlawgroup.com