



What is The Best Way to Leave Retirement Assets to My Kids?

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When it comes to retirement assets, such as IRAs and 401ks, careful planning is required to ensure that these assets pass to your children upon your death in the most favorable manner possible, from a tax perspective. Because these are assets which you have not yet paid the income tax on, when they are inherited by your children, your children will be responsible for paying the income taxes on the amounts that they withdraw.

Unlike you, your children are not able to postpone withdrawals until age 70 ½. Instead, they must begin taking distributions on inherited retirement assets the year following your death. When you designate your children as direct beneficiaries of your retirement assets (via the beneficiary form), it is up to them to withdraw the full amount, or to take out only the required minimum distributions calculated using their remaining life expectancy. If they withdraw the full amount, the entire amount will be subject to income tax at their ordinary income tax rates, which can result in a significant portion of the retirement assets being lost in taxes. If they choose the required minimum distribution route, they would only take out the minimum amount required by the IRS each year, paying the income taxes only on that amount, while the balance of the retirement account grows tax-deferred over the child's life expectancy. This is the ideal option, but many children fail to select this option. If you wish to have input as to how your children elect to take out the retirement assets, and if you wish to ensure that they take the retirement assets out over their life expectancy (as opposed to a lump sum), you may do so through the creation of a Retirement Trust. Our office specializes in creating Retirement Trusts that ensure a stable stream of retirement income to your child following your death, for many years to come. If you wish to discuss a Retirement Trust with an estate planning attorney, contact our office at (714) 282-7488 to schedule a consultation.



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Turkey Treats DIY Crafts

- M&Ms
- Mesh Material
- Squiggly eyes
- Yellow Pipe cleaners
- Orange pipe cleaners
- Brown pipe cleaners
- Scissors



<https://www.cleanandscentsible.com/turkey-treats/>

Maple Walnut Stuffed Sweet Potatoes

INGREDIENTS

- 4 small sweet potatoes
- 1/2 cup Greek yogurt
- 1/2 tablespoon pumpkin pie spice
- 1 tablespoon maple syrup
- Brown sugar to taste (optional for a sweeter dish)
- Pinch of salt

TOPPINGS

- ◆ 2/3 cup chopped walnuts or pecans
- ◆ 2 tablespoons butter
- ◆ 2 tablespoon light brown sugar

DIRECTIONS

- ◆ Preheat your oven to 400°F. Pierce the potatoes with a fork, place in a large baking pan and bake until soft (time will vary depending on the size of your sweet potatoes, anywhere from 20 to 45 minutes).
- ◆ Cut each potato in half lengthwise. Scoop out the baked insides. Try to keep the skins whole as much as possible!
- ◆ Place the potato skins back in the baking pan. Mash the baked potato flesh in a bowl until smooth. Mix in the Greek yogurt, pumpkin pie spice, maple syrup (and brown sugar, if using) and salt. Scoop this filling into the sweet potato skins (I get 6 skins out of 4 baked potatoes).
- ◆ In a separate bowl, mix all topping ingredients. Sprinkle over the filled sweet potato skins. Bake at 400°F for 12-15 minutes.
- ◆ Drizzle with extra syrup to serve, if you like.



<https://www.savorynothings.com/maple-walnut-twice-baked-sweet-potatoes/#recipe>

WILL AN INHERITANCE AFFECT MY CHILD'S SSI OR MEDI-CAL BENEFITS?

The short answer is “Yes”, but it doesn’t have to. SSI and Medi-Cal benefits are “needs-based” benefits, paid by the state to an individual who has a disability and is considered financially needy. Therefore, to be eligible for these benefits, an individual can have no more than \$2,000 in assets. The type of benefits that Medi-Cal/SSI covers includes, but is not limited to, prescriptions, co-pays, medical treatment, rent, food, clothing and shelter. When such an individual receives an inheritance, they would no longer qualify for these valuable benefits because the inheritance places their resources above the \$2,000 limit.

If you wish to provide for a special needs beneficiary, but don’t want to jeopardize their government benefits, the best way to do so is to create a Special Needs Trust, which is designed to hold the individual’s inheritance in a trust, managed by someone other than the Medi-Cal recipient (the Trustee can be a friend, family member, or some other third party). Since the inherited assets are owned by the Special Needs Trust, and not by the Medi-Cal/SSI recipient, the assets do not count as part of their \$2,000 resource limit, and their government benefits will continue. The Special Needs Trust is designed to supplement their government benefits, and is not subject to recovery by the state after the beneficiary dies.

If you have a child or loved one who is receiving or is eligible for SSI or Medi-Cal, a Special Needs Trust is a critical tool in preserving their benefits. To discuss this in more detail, you may contact our office at (714) 282-7488 to schedule a consultation with an experienced estate planning attorney.



Free Seminar



Each month, we usually conduct a **free seminar** designed to teach about the benefits of creating an estate plan. The seminars are held on-site at our Anaheim office inside of our "classroom". We offer light snacks and refreshments to the attendees and the group is often small and intimate, which allows for questions to be asked comfortably and for a very relaxed environment. Please **encourage your loved ones to attend** the seminar so that they may learn more about the estate planning process and benefits. We will have another **seminar on January 17th!** Please share with family and friends to help others know they are prepared financially for the future!



We hope that you have had the very best experience with our firm! And we hope that you would consider referring a friend that we may be able to help the same way we helped you! Getting a referral from a customer gives us a lot of pride! It shows us that we did a good job and our clients appreciate us!

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