Jane Walstedt: Now let me turn the program over to Jacqueline Cooke, the Women’s Bureau Regional Administrator in Boston, to introduce our first speaker. Jackie?

Jacqueline Cooke: Thank you, Jane.

It is my pleasure to introduce Attorney Patricia Annino, a nationally recognized authority on estate planning and taxation.

Ms. Annino is the Chair of the Estate Planning and Tax Group of the law firm of Prince, Lobel, Glovsky & Tye in Boston and has 20 years experience serving the estate planning needs of families, individuals, and owners of closely held businesses.

She is the author of two widely used professional texts, *Taxwise Planning for Aging, Ill, or Incapacitated Clients* and *Estate Planning in Massachusetts*.

Of particular interest to us on this call is her published book, *Women & Money: A Practical Guide to Estate Planning*, which is listed as recommended reading by the *Wall Street Journal*.

Attorney Annino has conducted more than 80 seminars for public and private organizations including IBM Corporation, Liberty Mutual, MFS, the Massachusetts Bankers Association, and the American Bar Association.
She currently also teaches estate planning in the Masters in Financial Planning program at Bentley College. She was recently selected by her peers to appear in the *Best Lawyers in America Consumer Guide* in the Estate and Trust category.

I am honored to introduce you to Patricia M. Annino.

Patricia Annino: Thank you, Jackie.

It’s very interesting to think about the concept of estate planning for women because when I was writing the book, *Women & Money: A Practical Guide to Estate Planning*, my husband kept asking me, “Why are you writing a book about women and estate planning? What’s the difference when you’re talking about estate planning for women than men? Aren’t all wills wills, aren’t all trusts trusts?”

And the answer is yes. There is no technical difference when you’re thinking about these concepts from a gender point of view. But there is a definite psychological difference.

And it really hit me about two years ago when I was on an airplane and taking a flight and the flight attendant came on -- like she always does -- and said, you know, “If the oxygen mask falls down from the sky and the barometric pressure changes, and you’re traveling with a small child, put that mask over yourself first. It’s only when you protect yourself first that you’ll have the strength to protect everyone who is around you.”

And I thought about the fact that I’ve been practicing estate planning law for 25 years and I’ve seen so few women do that. Most women spend most of their time making sure that everybody else is taken care
of and that everybody else is protected, and they don’t spend enough
time thinking about what that flight attendant is saying, which is it’s
only when you’re sure that you’re protecting yourself that you’ll have
the strength as crises come further in life to make sure that everybody
else around you is protected.

So the psychological difference and shift is to think that that has to be
the emphasis--that you have to take care of yourself, especially
because your role and responsibility is so extensive in the family and
extended family concept.

So there are some cornerstones of estate planning, the legal aspects,
that I’m going to run through in the next 12 minutes before Rebecca
starts to speak about implementation.

And to me, estate planning really comes down to three different
components.

The first is how do you own your assets now and are they [owned] the
way that they should be. And I think Rebecca is going to talk a little
bit more about that, but are assets that are joint supposed to be joint?
Do you know who the primary or the secondary designation
beneficiary of your assets are? For most people the answer to that is
no, and some work needs to get done.

The second component of estate planning which is very important
today is not what happens when you die, but what if you live and lose
the ability to handle your financial affairs.

If my husband and I own our home jointly with the right of
survivorship and I die, he gets it. But if we own that home jointly with
the right of survivorship and I have a stroke or a car accident and become disabled, even though that asset is joint, it’s inaccessible in the event of disability or incapacity. It’s frozen.

If I have a retirement plan and it’s paid to him at death, he gets it. But if I become disabled or incapacitated, he can’t access it and vice-versa.

For most people, their most significant asset is their home and their retirement assets. And those assets are frozen in the event of disability or incapacity.

There’s a document that you can think about doing called a durable power of attorney, where you give someone the authority to handle your financial affairs [if you should become disabled and unable to handle them yourself], and that would obviate the freezing of those assets.

But it’s a very powerful document because somebody can do what they want to with your assets while you’re alive. The document continues through any disability or incapacity that you might have. It becomes revoked at your death and you can also revoke it at anytime.

So for couples who own their assets together jointly, anyway, it could be a bootstrap and provide accessibility to assets that would be otherwise inaccessible.

Another lifetime document--estate planning document--that everyone should think about is the healthcare proxy.

Terri Schiavo was very young when she had that health issue happen to her, which caused a huge court fight. And I’m sure she probably
didn’t contemplate the consequences of [not] thinking about who would be in charge of making her medical decisions. And once you’re over the age of majority, which at least in Massachusetts is 18 -- in some states it’s 21 -- I think it behooves you to pick who would you want to make your medical care decisions for you in the event that you’re unable to make them yourself and put that document in place.

In a lot of states in the country -- Massachusetts is not one of them -- you could also execute a document called a *living will*, which is your statement of intent – [whether] you do or do not want to be maintained on life support.

But a healthcare proxy--or healthcare *durable power of attorney*, depending on the state you’re living in--gives the person you’ve designated the authority to make those decisions. And under federal law, you can only pick one person at a time because doctors and hospitals want to be able to look to that one person to make those decisions.

Another lifetime estate planning document to think about is the *homestead exemption*. In almost every state in this country you can protect a certain amount of equity in your home from creditors only if you file a homestead declaration. In Massachusetts that costs $30. And if you will affirmatively file it, you’re protected for $500,000 worth of protection from creditors even if you’re at fault [See http://www.sec.state.ma.us/rod/rodhom/homidx.htm for *The Homestead Act, Questions and Answers* by the Registry of Deeds in Massachusetts]. [In] some states like Florida, that protection is even more extensive. [Find more information about the Homestead Exemption at www.toolkit.cch.com/text/P12_2325.asp.]
So those are the lifetime components of estate planning, the things to take care of.

And as you’re listening to the call today, you want to think about not only you (if you’re single) or your spouse but also the other people that you’re going to be responsible for. Your parents, if you’re going to be responsible for them, have they put these mechanisms in place?

A more traditional part of estate planning is what happens when I die. And if you’re young and if you have minor children, you want to think about who you’re going to designate as guardian in the event that you are not able to act.

You also want to think about, in your building years--and I think that Pamela is going to talk more about this later--do you have enough money if something happens to you now, or if you’re not the prime breadwinner and if the prime breadwinner dies is there enough money to bring into the family to maintain it until the kids reach a certain age? And a key part of estate planning in the building phase is the creation of wealth through life insurance.

If you think about a million dollars of life insurance generating on average about $50,000 worth of income, and your husband is bringing home $100,000 worth of income and you’re not working or vice-versa, then you need $2 million worth of life insurance to just maintain that income flow. And I know that Pamela is going to be talking a little bit more about that later.

If you’re married and you have a taxable estate, which for federal purposes would be an estate that exceeds $2 million, then you need to
think about having some kind of trust that would reduce the amount of
taxes that your children would have to pay.

But even if you don’t have a taxable estate, you want to think about
establishing a trust for management of assets for their care so that the
people who you want to be in charge of the assets after your death will
be able to take care of the people - whether it’s children or other
family members - in the way that you would like to see [them] handled.

I think I’m probably out of time, am I?

Jane Walstedt: Yeah, like you’re maybe one minute from your time.

Patricia Annino: Think very carefully when you’re thinking about who should be the
person who’s in charge either if you’re not able to make those
decisions yourself because you’re disabled or incapacitated or at your
death. Who should be the executor, the person who’s in charge of
winding up your affairs? Who should be the trustee, the person who’s
in charge of managing money for your children’s benefit?

Those are all very important decisions in any estate planning document
you do, whether it’s your durable power of attorney, your healthcare
proxy, your will or a trust. It’s only as good as the person or the
institution that you’ve put in charge of it. So you have to give [this] a
lot of thought because as life goes on, the people that you put in place
will change.

So this is a process, and once you start on the path, you have to keep
going and be aware of that.
Jane Walstedt: Thank you so much, Patricia.

And I just want to remind our listeners - because you provided a lot of information very quickly - that the call will be posted in audio form and in transcript form afterwards. So if you’re madly writing or you feel that you missed something, you can always go back and find it on the WiSe Up Website (www.wiseupwomen.org).