Jane Walstedt: And now let me turn the program over to Sarah Miller, a member of the Women’s Bureau Team that plans the Wi$e Up teleconference calls to introduce our second speaker.

Sarah?

Sarah Miller: Thank you, Jane.

I’m pleased that Rebecca Pace is able to join us today. Rebecca has been in the financial services industry for over 25 years. She is a Certified Public Accountant and holds the designation of Personal Financial Specialist, which is awarded to CPAs who demonstrate a high level of expertise in the area of personal financial planning.

She is also a Certified Financial Planner, a Certified Divorce Financial Analyst, Long Term Care Specialist, Registered Investment Advisor, a former stockbroker, and holds an insurance license. In other words, she’s a woman who can give you financial advice from virtually every perspective.

Having so much experience, Rebecca has been interviewed by many publications from *Kiplinger’s* to *USA Today*, and even from the other side of the world by *Asset*, the magazine for financial planners in Australia.

She started out by getting her Bachelor’s Degree in Accounting from the University of Cincinnati and later completed the prestigious
Financial Planning Residency Program at the University of California, Irvine.

Last year Rebecca started her own company, Pace Advisors, LLC, standing behind her commitment to provide objective, independent financial advice and financial planning services on an hourly, as-needed basis to people from all walks of life.

While we’ll be talking about estate planning today, estate planning is just one of her many areas of expertise. She has developed her own ‘Focus Advantage’ series of seminars focused on empowering women by making them more financially astute. Topics include Women’s Issues in Financial Planning, Investment Planning Concepts, Raising Money-Smart Children and Taking Control of Your Financial Future during a Divorce.

She schedules these seminars regularly upon request and speaks often to churches, clubs, associations, and chambers of commerce.

Welcome, Rebecca.

Rebecca Pace: Well, thank you.

It really doesn’t occur to me how much experience I’ve accumulated until I actually hear it said out loud. So I’m glad I can share these years of experience with younger women on the call.

And Patricia had some really wonderful information for us.

I wanted to take a little different perspective on some of this because one the things that I do specialize in is divorce planning. And I see a
lot of that, and there are some particular things that women need to think about for estate planning purposes if there’s been a divorce in the family.

First of all, if there are young children and the woman obviously has great concern about her children, and if she passes on, usually by default the father will become guardian. But she’s not going to want her assets to fall into the hands of her ex-husband. So this is the time when a trust is very important so that her assets and her insurance would go into a trust that would be managed by someone other than the ex-husband.

The ex-husband would be taking care of the children, you know, physical needs and housing, but the money will be handled by someone else and would be available for the children. But a trust to protect those interests is very important.

If there aren’t minor children, a lot of times there’ll be a late-in-life second marriage. Perhaps you’re an adult now and perhaps your, one of your parents has passed on and the other one is living and will remarry. And this creates all sorts of family issues.

A special trust can be written--they’re referred to as QTIP trusts or Qualified Terminable Interest Property trusts--that would provide for the living expenses of the spouse after one party passes on but preserve those assets for the children, for the natural children if that’s what is intended. [see Qualified Terminable Interest Property (QTIP) Trust at www.investopedia.com/terms/q/QTIP.asp]

So instead of having those assets go to the stepfamily quite by accident, they [the grantor or creator of a trust (see
can be proactive and set up a QTIP trust to protect the children.

It’s kind of odd because it seems like men tend to remarry very quickly after they lose a spouse, and so it particularly becomes a problem for children when their mother dies prematurely.

Another thing I see that I think is really important which has an impact on estate planning--and people don’t often think about it that way--is prenuptial agreements.

A prenuptial agreement can actually spell out the terms that are going to dictate how assets would pass at death. A lot of people will miss that or not think of that. But if there’s a conflict between the prenuptial agreement and the wills and the trust, then the prenuptial agreement can prevail. Now you may have to go to court, but this is a really important thing to take a look at.

This can also protect young women who may marry an older man. When he dies, those assets may go to his children according to his will. But if she has given up her career, she may not have been able to accumulate very much on her own, and this is something that a prenuptial agreement could address.

Also in the case of a second marriage, we want to be sure that all the beneficiary designations are updated. Insurance, IRAs, and employee benefits, all of those things are going to pass by beneficiary designation. They don’t pass according to the will, and generally we don’t recommend that some of those assets go into the trust. So the beneficiary designation is very important and you want to make sure that the assets are going to go where you want them to go.
Now talking about trusts, I myself I’m a single woman and I have adult children who are in college, and I have a trust. All of my assets are held in trust because if I’m injured I need to have someone be able to step in and make decisions and manage my assets for me.

If I was married and there were joint accounts, then my husband could do that. But since I’m a single woman, there’s no one else to step in and help with such things.

Another thing that I think may be important to the people at this stage of life is to think about what it is that you need to do when there’s a death in the family. What kind of things can you help with to help the transition and be sure that things go smoothly?

It’s helpful to talk with the older members of your family, your parents, early and find out early where are the records, where are the accounts, who are the advisers that you work [with].

But I actually have a checklist that I could give you to make a list of the things you’re going to need. [See the Financial Documentation Checklist at the end of this transcript.] You’re going to need things like passwords, advisers’ phone numbers, where the checkbooks are, where the safe deposit box is.

Social Security records are also going to be very important. There may be survivor benefits. If there are minor children, there will be survivor benefits. To claim those, you would need things like birth certificates, marriage licenses, military records.
You’re also going to need employer information and previous employer information. There may be life insurance policies or deferred compensation or some sort of benefits that you’d need to check on.

One thing I’ve done is made a binder, a three-ring binder, and I put all this stuff in the binder for my son. It has cemetery information, and I even have a list of what’s on my key ring and what all those keys fit. I know that’s sometimes pretty frustrating.

I think I may have pretty much run out of time here. So, I’m sure you have some questions and we can cover things in the question and answer session, but I will pass it on back to the rest of the team.

Jane Walstedt: Thank you much, Rebecca. And I’ll save my question for the question and answer period that arose from listening to you.
Financial Documentation Checklist
(Pre-Planning)

Make a list of all passwords
List Names of Advisors and their phone numbers
Letter of instructions, funeral and burial preferences
Family information and life highlights for notices and records
Contact information for Previous Employers
Safe Deposit Box location and names of persons with access
Make a List identifying keys on key rings
Make a list of all important documents and their location
Wills, Powers of Attorney, Trusts, Pre-Nuptial Agreements, Etc.
Advanced Directives (Living Wills) Health Care Powers of Attorney
Tax Returns (Income tax returns, Business Returns, Sales Tax Returns)
Deeds, Personal Notes Receivable
Personal Net Worth Statements and Financial Plans
Employer Benefits Statements, Incentive Plans
Checkbooks, Bank Statements and Investment Account Statements
Life Insurance, Long Term Care and Disability Policies
Loan Applications, Mortgages, Loan Statements, Credit Card Statements
Business Financial Statements, Business Agreements
Social Security Benefits Statement (Earnings History)
Appraisals, Photographs of Collectibles
Passport, Social Security Card
Children’s School and Medical Records and Birth Certificates
Personal Medical Records, Health Insurance Cards
Car Registration and Insurance Cards
Military records, (possible VA benefits www.va.gov)

Things to do
Freeze or cancel credit cards in writing.
Get multiple copies of Death Certificate (25 copies to start)
Secure Valuables, Check to be sure insurance is in force, change locks
Identify and secure items of sentimental value

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Additional Web sites and information provided by Rebecca Pace following the teleconference:

www.ssa.gov
www.va.gov
www.360FinancialLiteracy.org

Social Security Administration toll free number 800-772-1213