



SARD
WEALTH MANAGEMENT GROUP, LLC

CLIENT NEWSLETTER
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IMPORTANT INFORMATION

The 2017 Retirement Plan Contribution limits have not yet been released. We will include the updated limits in our next newsletter.

With the election around the corner, there won't be much in the way of legislation that should affect your finances. After the next President is inaugurated, we will provide updates on any major changes that may be coming.

At the end of our newsletter is our Privacy Policy, which we are required to distribute each year.

Financial Tip of the Month

Getting Your Financial Paperwork in Good Order

Don't we all want to leave this world with our financial affairs in good order? None of us wants to leave a collection of financial mysteries for our family to solve.

Many heirs spend days, weeks, or months searching for a decedent's financial and legal documents. They may even discover a savings bond, a certificate of deposit, or a life insurance policy years after their loved one passes.

Certainly, you want to spare your heirs from this predicament. One helpful step is to create a "final file." Maybe it is an actual accordion or manila folder; maybe it is a file on a computer desktop; or maybe it is secured within an online vault (which Sard Wealth offers our clients at no additional charge). The form matters less than the function. The function this file will serve is to provide your heirs with the documentation and direction they need to help settle your estate. Also, be sure someone will be able to access the safety deposit box, if you have one.

What should be in your "final file?" Definitely a copy of your will and copies of any trust documents. Place a durable power of attorney and a health care directive in there too, as this folder's contents may need to be accessed *before* you die. You should include insurance policies, which will include life insurance and home/auto coverage.

A list of all the financial accounts in your name should be kept in the file – and, to be complete, why not include sample account statements with account numbers, or, at least, usernames and passwords, so that these accounts can be easily accessed online.

Social Security benefit information should also be compiled. That information will be essential for your spouse (and, perhaps, for a former spouse). If you happen to receive a pension from a former employer, your heirs need to know the particulars about that.

They should also be able to access documentation pertaining to real estate you own.

Contact information should be inside the “final file” as well. Your heirs will need to look up the email address or phone number of the financial professionals you have consulted, any attorneys you have turned to for estate planning or business advice, and any insurance professionals with whom you have maintained relationships.

Other documentation to include: credit card information, vehicle titles, and cemetery/burial information. Be sure to include your social media and e-commerce passwords for sites like Facebook, Twitter, LinkedIn, Pinterest, Amazon, and eBay. Some social media sites may require a copy of your death certificate or obituary notice before allowing any other party to access your profile. Furthermore, you may also wish to leave a letter or note instructing your heirs on how the world should be notified of your death.¹

Your heirs will want to supplement your “final file” with contributions of their own. Perhaps the most important supplement will be your death certificate. A funeral home may tell your heirs that they will need only a few copies. In reality, they may need several, or more, if your business or financial situation is particularly complex.

One other important step may save your heirs money & time. If you add the name of an heir to a key bank account, that heir can pay a hospital bill or make a mortgage payment on your behalf without undue delay.²

Be sure to tell your heirs about your “final file.” They need to know that you have created it and they need to know where it is. It will do no good if you are the only one who knows those things when you die.

You can compile your “final file” gradually. The next account statement, income payment, or real estate or insurance newsletter that comes into your inbox or mailbox can be your cue to tackle and scratch off that particular item from the “final file” to-do list. Yes, it takes work to create a “final file”, but you could argue that it is necessary work, and your heirs will thank you for your effort.

So, what should you do now? We always preach how important it is to plan. Be sure you are sitting down with us on a regular basis to discuss your entire financial situation. Each quarter we want to remind you to alert us to changes in your financial situation or investment objectives to ensure that we are aware of any situation that might require changes in the management of your accounts. Please remember to contact us to discuss how these changes impact your investment accounts!

Citations.

1 - marketwatch.com/story/13-steps-to-organizing-your-accounts-and-assets-2016-03-03 [3/3/16]

2 - reuters.com/article/us-retirement-death-folder-idUSKBN0FK1RW20140715 [7/15/14]

Avoid Beneficiary Blunders

You may assume that a legally enforceable will is all you need to ensure that your assets are properly distributed when you die. Unfortunately, that's not necessarily true. Retirement accounts, life insurance policies, and annuities, are governed by beneficiary designations. If those designations are outdated, unspecific, or wrong, assets may not be distributed the way you would like. That's why it's important to periodically review your choices. Here are items to consider.

- **Be specific and stay current.** When you name a beneficiary, your assets can pass directly to that person or entity without going through the probate process. Just about anyone can be named as a beneficiary, including a charity, trust, or individual (though state laws make exceptions for minor children), and you'll want to remember to update the designations for life events such as divorce, remarriage, births, deaths, job changes, and retirement account conversions. In addition, you may want to name specific individuals as beneficiaries instead of using a group designation such as "all my children" or "all my grandchildren." Why? Certain individuals, such as stepchildren, may not be included under the legal definition of "children" in some states.
- **Think about unexpected outcomes.** Be alert for the effect of taxes and unintended consequences. For example, if the money in your accounts is distributed directly to your heirs, they may be stuck with a large unexpected tax bill. For wealthier heirs, estate tax may also play a role. In 2016, the estate tax exclusion is \$5.45 million and the top estate tax rate is 40%. Another concern: If one of your designated beneficiaries is disabled, government benefits may be reduced or eliminated by the transfer of assets. You may want to consult an attorney to establish a special needs trust to ensure your loved one is not adversely affected.
- **Name contingent beneficiaries.** If your primary beneficiary dies or is incapacitated, having a "backup", or contingent, selection will ensure that your assets are properly distributed. In some cases, a primary beneficiary may choose to disclaim, or waive, the right to the assets. In that case, contingent beneficiaries can step up to primary position.
- **Practice good recordkeeping.** Keep your beneficiary designation forms tucked away in a safe location, and maintain current copies with your financial institution, attorney, or advisor.

Beneficiary designations are a very important part of estate planning so please contact us with any questions.

Please keep in mind that this tip is designed to be of help for you, but is not to be relied upon as advice. It is merely a reminder that there are many choices you have available to you, and that planning may be the only way to find the right answers for your situation. As with any financial issues, make sure you get the right information before making a decision. If you have any questions, we'll be glad to help you!

Client Quiz

Question: If an investment goes down 40%, what rate of return is needed to get back to breakeven (*Hint: This is the same question as the last quarterly newsletter as we want to see who is paying attention!*)?
 A) 40% B) 50% C) 67% D) 75%

We wanted to thank those of you who have participated in our Client Introduction program. As you know, marketing for new clients takes a great deal of money, time, and energy and we would much rather spend our resources improving your financial health. We, like most businesses are looking to grow; however, for the benefit of our existing clients we are only able to take on a limited number of new clients each year. Over the years, we have learned that encouraging you to introduce us to people you know works well for all of us...we help you, and you help us. If you aren't familiar with our friends helping friends program, please call our office or be sure to ask us at your next meeting. The few minutes it takes to learn about how it works will be well worth your time and energy!

Answer: C) 67% - If a \$100 investment loses 40% and goes down to \$60, you need to make a 67% return on your \$60 remaining investment to get back to \$100.

If you would like some of your friends, coworkers, relatives, business acquaintances, etc. to receive a FREE subscription to this newsletter, please call our office and we'll add them to the mailing list. We'll also send them a note with their first issue telling them that you had suggested they receive the newsletter, and to contact us if they would like to stop at any time. If you enjoy this newsletter, why not share it for FREE with people you know, with no hassle for you?

This information is solely advisory, and should not be substituted for legal, financial or tax advice. Any and all financial decisions and actions must be effected through the advice and counsel of a qualified attorney, financial advisor and/or CPA. We cannot be held responsible for actions you may take without proper financial, legal, or tax advice!

Sard Wealth Management Group, LLC Privacy Policy

Your privacy is important to Sard Wealth Management Group, LLC. We understand that the information you provide to us is private. This policy outlines what information we collect, how we use it and how we protect it. We will affirm our Privacy Policy annually in writing with all current Clients.

We collect information about you to provide services and products to help you meet your financial goals and objectives and to allow us to provide high levels of customer service to you. We also gather information in order to help us fulfill our legal and regulatory requirements. Information collected may vary depending on the products and services requested and the scope of your relationship with us.

Information Collected about You: We collect nonpublic personal information about you through account and insurance applications, our financial planning questionnaire, and through our day-to-day meetings, interactions, and the services we provide. The following types of information are maintained:

- Personal Information: name, address, phone number, tax identification number, date of birth, employment, children, wedding anniversary, and hobbies/interests
- Financial Information: income, investment and bank accounts, insurance policies, investment experience, and net worth
- Health Information: personal and family medical history, diagnoses and prescriptions
- Service-oriented information: account balances, payment history, account numbers, and account activity

Disclosure of Personal Information: We train our staff to take caution in handling personal information and keeping it secure. It is our policy not to share any private information with any businesses for marketing purposes. We do not disclose any private information with any outside firm with the exception of those that require specific information in order for a specific account to be established or to execute a specific transaction. The following information is shared by us:

- Personal and financial information: shared with a brokerage firm or investment company to setup and manage investment accounts for you and with insurance companies to initiate an insurance policy on your behalf.
- Health-related information: shared with insurance companies to initiate life, health, disability, or long-term care insurance on your behalf
- All types of information: shared with your accountant or lawyer to allow us to collaborate for your benefit. We may be required by law or regulation to disclose information to third parties such as in response to a subpoena, to prevent fraud, to comply with rules and regulations to which we are subject, in response to inquiries from industry regulators, and in order to comply with our broker/dealer's policies with whom our associated persons may be registered.

From time to time, we may provide via mail, email, or in person, investment reports of all household accounts to members of the same household. Household accounts include those held by spouses (or domestic partners) of the same family, and minor children for which one parent is the custodian and/or owner of the child's account. We may answer general account questions relating to accounts of a member of the household for either spouse.

If you close your account or discontinue your relationship with us, we will continue to treat your information with the same attention to privacy as for active Clients. Former Clients may request a current copy of our privacy policy at any time by calling our office at (404) 843-4483.

If you do NOT wish to have household account reports shared or object to our disclosing your private information as outlined in this policy, please provide us with a written statement clarifying your wishes.