

THE PHONE CALL NO ONE WANTS

Will you be prepared? Will your family be prepared?

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That horrible phone call comes: A loved one is in critical condition. Or has passed away. You are a mom, dad, son, daughter, wife, husband, brother, sister, dear friend. You must jump in and help. What now? Is there a well-organized plan in place, or do you deal with confusion and chaos?

If a loved one is grievously hurt or ill, incapacitated and unable to act on his or her own, do you know where key documents are? Do you know the difference between a living will, durable power of attorney for health care, durable power of attorney for assets, advanced directive and a do-not-resuscitate (DNR) order?

These documents do different things and should be well-thought-out in advance. If you are single or live alone, who would get the call about you? Would they know what to do? If adult children get the call, do they know your wishes? The older we get, the more complex our lives become, and the more our digital and paper trail grows. We have documents and files critical to decision-making. How organized is that aspect of your life? For most of us, our sock drawer is in better shape.

Do you have a place to record important information that loved ones need to deal with in an emergency or death? So much information must

be catalogued and often the missing ingredient is a financial advisor.

Financial advisors recognize the importance of asking really great questions. And it's more important to be asked really great questions rather than have really great answers. Because really great answers tend to close things down, while really great questions open things up.

Great questions help you find answers critical to framing contingency plans, succession plans and end-of-life issues. When an advisor works with you to create a comprehensive financial, estate, retirement or investment plan, or some other strategy, a plethora of information is assembled. Copies of wills, trusts, powers of attorney, advanced directives, insurance policies, tax returns and other key documents are secured. Net worth statements are created and investment accounts are detailed.

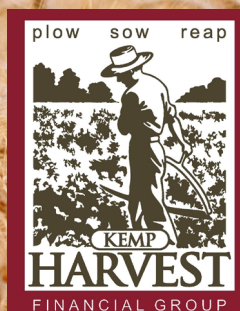
A financial advisor can help you record key data and establish a process



to keep it up to date. You also should assemble important documents including birth certificates, marriage records, divorce papers, prenuptial agreements, military records, Social Security records, property titles and deeds, mortgages and other debt information. Where is your safe deposit box? Who has passwords to access vital digital records? Who could pay your bills? What about legacy wishes?

Family fights over property, artwork, heirlooms, jewelry and keepsakes are legion. What about a beloved pet? Have you hidden cash, gold coins or other treasures? This is all information your family needs in a time of confusion.

Financial advisors bring you more than just investments. They can help bring order to your life, in times of calm – so that in times of chaos, you and your family are prepared. ♦



KEMP HARVEST GIVES BACK

Kemp Harvest partnered with Keystone Opportunity Center to provide Thanksgiving food to local families in need!

Each year, the Keystone Opportunity Center, based out of Souderton, Pennsylvania, hosts a Thanksgiving Family Meal drive for local community members who may be in need this holiday season. Kemp staff members worked together to bring in all kinds of donations, everything from instant mashed potatoes to funfetti icing, to help make a difference in our local community. Together, we were able to donate seven meal bags to the Keystone Opportunity Center.

For more information on how you can get involved in the Keystone Opportunity Center, visit their website at keystoneopportunity.org. ♦



Nancy, Leigh, Todd, Matt, & David show off the office's donations

Haven't made it to one of our Birthday Clubs yet? Hosted every quarter, we gather our clients for a lunch or dinner (your choice!) at the Maggiano's in King of Prussia for a great time of food and friends. You won't want to miss it!

Interested in receiving your own invitation to our Birthday Club? Call our office at (215)513-4330 to find out how. ♦



UPCOMING EVENTS

- **January/February/March Birthday Club**
Maggiano's King of Prussia
*Tuesday, February 20th,
Invitation Only*

For more information on any of our events, or to register, please contact us at (215)513-4330 or register online at www.KempHarvest.com. ♦

ESTATE PLANNING PITFALLS

Many people want to leave a legacy after they've passed, and in most cases, it's a financial legacy. This can come in many forms, but for those who have specific plans to leave a legacy to an individual, group of individuals, or organization, careful planning must be done. However, in the process of planning, it's not uncommon to come across a few pitfalls while preparing for the future. Here's a few we've come across:

1. Not updating beneficiaries

This is one of the most frustrating and difficult mistakes to deal with for the surviving family members or organization(s). If someone has changed their will or trust, they must also change their beneficiaries on their accounts separately. These work independent of each other, and both require updates.

It is also something that is typically very easy to update. While paperwork is required at times, it can be done online or by phone. All the more reason to check your beneficiaries!

2. Transferring real estate or other assets while still living

In an attempt to simplify the estate or become eligible for government assistance programs, retirees often transfer their real estate or other assets while still living, instead of at death.

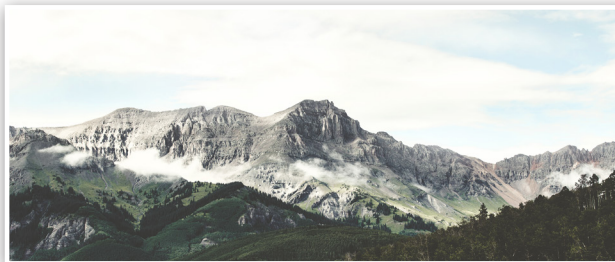
There are multiple problems with this. First, the government has a "look back" period to determine when assets were transferred. If they were transferred within the "look back" period, they could cause someone to be ineligible for government assistance.

Second, the recipient of the asset will inherit the original investment cost, rather than having it "stepped up" to the date of death through the estate. The original investment cost is likely less, often much less, than what it would be if the asset was transferred through the estate. This significantly

increases capital gains tax for the recipient.

3. Failing to consider the tax implications of your estate.

The federal government has increased the previous limitation of taxable estate assets. For 2017, the Federal estate tax limit is \$5.49 million, per individual.



It's easy to think that your estate assets will have minimal tax implications. However, there are state estate tax levels that need to be carefully planned for, as well as inheritance taxes that will vary from state to state. There could also be individual income taxes due when the inherited assets are sold.

There are numerous ways to reduce the tax impact of your estate. For example, while life insurance is often included in the estate tax calculation of the decedent, it may be free of federal income tax to the recipient.

We often talk about having a financial plan for your retirement, but having an estate plan is just as important. Why have someone else – the government – determine how your estate assets should be split? Take the time now to put together estate documents and ensure you have the proper beneficiaries listed.

Ideally, these are things you should be discussing with an estate attorney in the state you reside in. If we can be of assistance in any way, please let us know. ♦



David A. Lawrence is a CERTIFIED FINANCIAL PLANNER™ with Kemp Harvest Financial Group®. David came to Kemp Harvest in 2016 with over ten years of financial experience. He received his Bachelors of Science from California University of Pennsylvania and holds his FINRA Series 7 and 63 registrations with LPL Financial. David meets regularly with clients, helping to explain their individual retirement income plans. He has an in-depth understanding of portfolio management, investment products, and client management.

EMPLOYEE *Spotlight*

Meet our Client Service Representative, Mary McClennen-Glica!



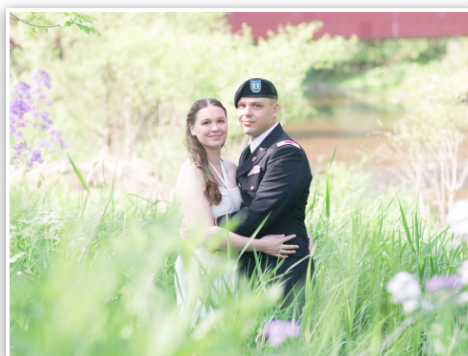
When did you start working at Kemp Harvest? September 2014.

Where did you grow up? Limerick, Pennsylvania.

What do you do for fun? If I am not running between Girl Scouts or colorguard, you'll find me in one of three places: in the kitchen baking, outside in the garden, or crocheting on the sofa.

What is your favorite part of the job? Helping people. I like being able to make a difference in someone's life, no matter how small.

What is one thing on your bucket list? To see the world. ♦



Winter fun with the whole family, Mary and her husband, CJ, and the kids having a blast!

NEW YEARS' FINANCIAL CHECKLIST

Start this year off on the right financial foot - take a few minutes to run through our new years' checklist!

- Set short- and long-term financial goals.** *You'll be more inclined to save if you have specific goals you're working towards.*
- Work towards being and staying debt free.** *Make it a priority to pay down bad debts, like high-interest credit card bills and non-tax-deductible debt.*
- Evaluate your retirement contributions.** *Is your money going to the best place it can? Are you pushing yourself to save as much as possible?*
- Stick to your budget and save first.** *Set up an automatic deposit into your savings account so the money's gone before you even see it.*
- Update your will.** *Remember that beneficiaries need to be updated even with changes as minor as a new address or last name. Make sure it's up-to-date!*
- Rebalance your portfolio.** *The beginning of the year is a great time to do this! Take a few moments to ensure your asset allocation is in line with your investment goals. ♦*

WHAT'S GOING ON IN QUARTER 1?

JANUARY

- 1 - New Year's Day
- 15 - Martin Luther King Jr. Day
- 31 - Halloween

FEBRUARY

- 2 - Groundhog Day
- 14 - Valentine's Day
- 19 - Presidents' Day

MARCH

- 2 - Read Across America Day
- 11 - Daylight Saving Time Starts
- 17 - St. Patrick's Day

QUOTES CORNER

A SMOOTH SEA
NEVER MADE
A SKILLFUL SAILOR.

-UNKNOWN

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