



TENNESSEE VALLEY ASSET MANAGEMENT PARTNERS

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Our mission is to help build, manage, and preserve the wealth of our clients, and **enhance their quality of life.**  
*We strive to help you Live Invested.*

Live Invested®

Summer Newsletter

July - September 2019

In this quarterly publication, we'll share helpful advice, inspiring stories, and resources you can put to use in your everyday life.

NEW

### Inside This Issue:

- Featured Article: How to Minimize Probate
- "Our Corner of the World" Summer Letter
- Estate Planning Checklist
- Get to Know Lisa Wyrick
- Upcoming Events
- "Taking Care of Your Loved Ones" by Josh Klinger, J.D., AAMS®.



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### Featured Article

What can you do to lessen its impact for your heirs?

## Minimizing Probate When Setting Up Your Estate

If you have questions or are ready to set up an estate planning meeting, call us at (865) 226-9982 or send an email to connect@tvamp.com



**Probate subtly reduces the value of many estates.** It can take more than a year in some cases, and attorney's fees, appraiser's fees, and court costs may eat up as much as 5% of a decedent's assets. Probating a "routine" estate valued at \$400,000 could cost as much as \$20,000.<sup>1</sup>

What do those fees pay for? In many instances, routine clerical work. Few estates require more than that. Heirs of small, five-figure estates may be allowed to claim property through affidavit, but this convenience isn't extended for larger estates.

So, how can you exempt more of your assets from probate and its costs? Here are some ideas.

**Joint accounts.** Married couples may hold property as a joint tenancy. Jointly titled property includes a right of survivorship and is not subject to probate. It simply goes to the surviving spouse when one spouse passes. POD & TOD accounts. Payable-on-death and transfer-on-death forms are used to permit easy transfer of bank accounts and securities (and even motor vehicles, in a few states).

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**Gifts.** For 2018 [and 2019], the I.R.S. allows you to give up to \$15,000 each to as many different people as you like, tax free. By doing so, you reduce the size of your taxable estate. Gifts over \$15,000 may be subject to federal gift tax (which tops out at 40%) and count against the lifetime gift tax exclusion. **Revocable living trusts.** In a sense, these estate planning vehicles allow people to do much of their own probate while living. The grantor - the person who establishes the trust - funds it while alive with up to 100% of his or her assets, designating the beneficiaries of those assets at his or her death.

**Are there assets probate doesn't touch?** Yes, there are all kinds of non-probate assets. The common denominator of a non-probate asset is a beneficiary designation, which allows these assets to pass either to a designated beneficiary or a joint tenant, regardless of what a will states. **Make sure to list/update retirement account beneficiaries.** When you open a retirement savings account (such as an IRA), you're asked to designate eventual beneficiaries of that account on a form. This beneficiary form stipulates where these assets will go when you die. A beneficiary form commonly takes precedence over a will.<sup>7</sup>

Your beneficiary designations need to be reviewed, and they may need to be updated. You don't want your IRA assets, for example, going to someone you no longer trust or love. If you're married and have a workplace retirement plan account, your spouse is the default beneficiary of the account under federal law, unless he or she declines to be in writing. To learn more about strategies to avoid probate, consult an attorney or a financial professional with solid knowledge of estate planning. Read the full article at [tvamp.com](http://tvamp.com). This material was prepared for use by TVAMP. Disclosures and citations on page 3.

### Our Corner of the World *Letter From TVAMP*

Greetings from mid-summer 2019! Our team has been making the most of the longer days. On Mondays we report to each other stories about our weekends: farmer's market finds, kids' ballgames, road trips, boating, fishing, golfing, family vacations, etc.! We're happy to have a few more months of warm weather to enjoy even more front porch sittin', back yard grillin', and frozen drink sippin'.

Does the vibrancy of summer days spent with loved ones ever get you thinking about your legacy? After the sun sets and you lie down, what moments from the day do you replay in your mind? For us, this begs the question: How will you take care of your loved ones after you're gone? Getting your financial house in order and laying out the path you'd like your remaining wealth and possessions to take demonstrates your compassion for your beneficiaries.

It's special when you pass on a tradition or hobby so your spirit can live on. It's thoughtful when your family can more smoothly transfer your wealth according to your wishes after you're gone so your legacy continues. To help your heirs avoid the complexity that comes with handling an unmanaged estate, we encourage you to take some estate planning steps. Together with your attorney and accountant, we can find a strategy for your situation.

Contact us when you're ready to schedule a meeting: (865) 226-9982 or connect@tvamp.com.

### Team Spotlight

#### Meet Lisa Wyrick

Lisa is an Executive Office Administrator. She has worked alongside Jeff Foster, CFP® for over 18 years. She is a team player and is very resourceful. When complex situations arise, Lisa gladly makes calls and goes to great lengths for our clients. She has a special way of making meetings feel like coffee with a friend. Lisa loves attending her grandkids' various school performances and sporting events. When she has time to herself, she enjoys DIY projects. **You can learn more about Lisa on our team page at tvamp.com**



#### Most Popular Post Last Quarter: Race Across America 2019

By far the most "clicked on" and "liked" posts from the past few months were details about Jeff Foster, CFP®'s journey across the USA. He and his team of six cycled from the East Coast to the West Coast this past June. For this 3,100 mile trek, Jeff raised money for the Patricia Neal Innovative Recreation Cooperative (IRC). They completed the race in less than eight days! Jeff is a true ambassador of our "Live Invested" motto. He is thankful for everyone who supported this journey! **Like TVAMP on Facebook: Facebook.com/tvampvalley**

### Estate Planning Checklist

An estate includes Real estate, personal property, cars, furniture, antiques, coins, art, bank and investment accounts, Social Security benefits, life insurance policies, loans made to other people, etc.

1. Identify your assets
2. Decide how assets will be distributed and to whom
3. Consider having a power of attorney prepared
4. Complete a living will
5. Prepare a will
6. Update your beneficiaries on life insurance, benefit plans
7. Learn about and consider a trust
8. Learn about estate taxes
9. Consider retaining an attorney to prepare key documents
10. Enjoy the confidence a completed estate plan brings!



Our first Social Security educational dinner of the year was a hit! We filled an upstairs banquet room at Calhoun's on the River with 60 people looking to make a more educated decision regarding when to collect their benefits. We have another dinner on September 17th! Nearing retirement? Take advantage of this learning opportunity. **Details at tvamp.com!**

### Events, Important Dates, & Holidays

#### TVAMP Events

September 17<sup>th</sup>: Social Security Insights and Dinner

September 17<sup>th</sup>: Social Security Continuing Education Luncheon (for CPAs & attorneys)

December 13<sup>th</sup>: Save the Date! 2nd Annual Night of Christmas Cheer

#### Market Holidays & Office Closures

July 3<sup>rd</sup>: Offices close at 2:00 PM

July 4<sup>th</sup>: Happy Independence Day! Offices closed all day

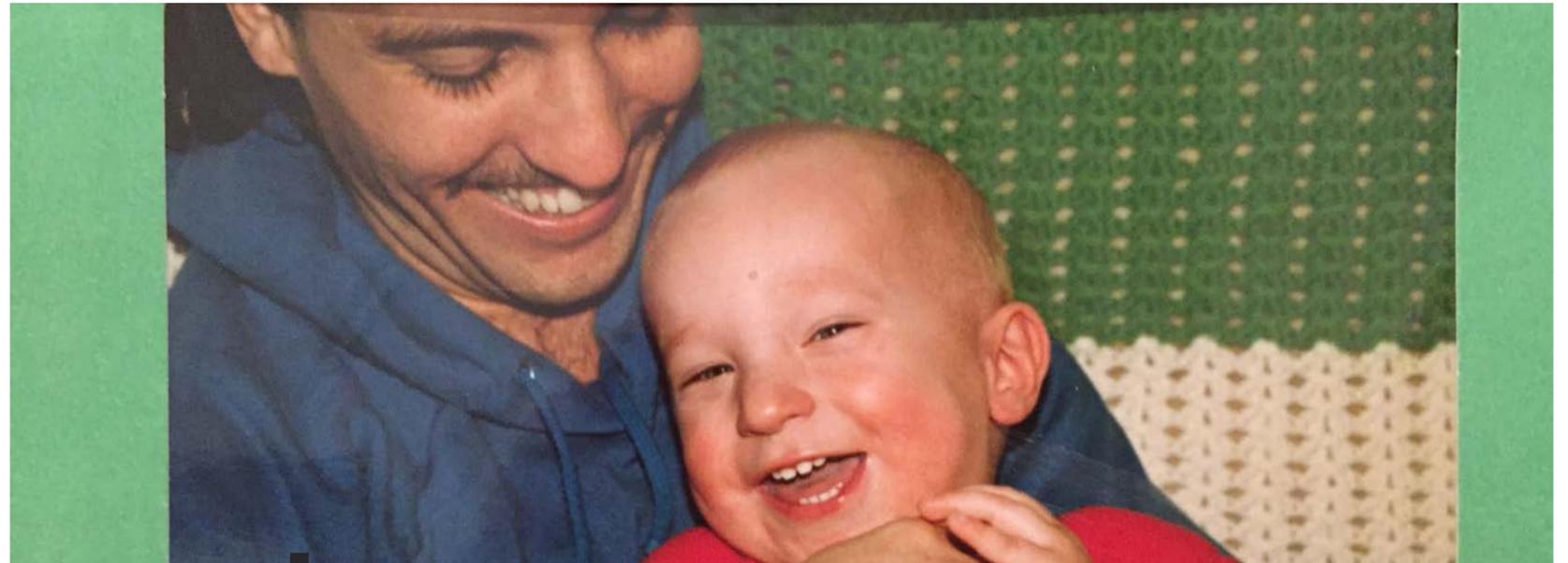
September 2<sup>nd</sup>: Labor Day. Offices closed all day

#### Important Financial Dates

Mid-Year Reminder: IRA owners 70.5 or older, make plans to take your Required Minimum Distribution (RMD) before December 31<sup>st</sup>, 2019. Contact us to setup automatic deductions.

**Keep up with all this and more at tvamp.com**

**Breakfast With Us** series continues! See [tvamp.com](http://tvamp.com) or our social media for monthly topic announcements.



### Taking Care of Your Loved Ones By Wealth Advisor Josh Klinger, J.D., AAMS®

**Six years ago, my father passed away unexpectedly.** I can remember it like it was yesterday. I had just returned home from the gym around 8:30 PM when I received a frantic call from my dad's then girlfriend, Lisa. She informed me that my father had suffered some complications, aspirated, lost oxygen to his brain and was being care-flighted to the local hospital. I immediately got in my car and drove to Dayton, OH. My father would never come out of a coma. I never talked to him again. **I share this story because unbeknown to me, my father had not made sure his financial affairs were in order.** He never met with a financial advisor. He had a will that was created when my parents were married (they had been divorced 5+ years). This meant my mom had to serve as executor of the estate. For anyone who's been through wealth transfer on investment accounts without beneficiaries, it can seem like a nightmare. **The whole process felt like trying to untangle a knot - all while we were still grieving.** In addition, he had no life insurance. At TVAMP, we can help you take care of the ones most important to you. It was this depressing situation that inspired me to pursue a career in wealth management. **I encourage everyone reading this to take the time to sit down with your trusted financial advisor.** To streamline the estate planning process, we can consult with your attorney.

**You can find Josh's full blog at tvamp.com**



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*This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor. LPL Financial Representatives offer access to Trust Services through The Private Trust Company N.A., an affiliate of LPL Financial.*

*"Minimizing Probate When Setting Up Your Estate" Citations: 1 - nolo.com/legal-encyclopedia/why-avoid-probate-29861.html [9/12/18] 2 - info.legalzoom.com/difference-between-community-property-rights-survivorship-vs-joint-tenancy-21133.html [9/12/18] 3 - law.cornell.edu/wex/tenancy\_by\_the\_entirety [9/12/18] 4 - darkhill.com/alerts/a-guide-for-challenging-a-joint-account-arrangement-in-michigan [3/16/17] 5 - nolo.com/legal-encyclopedia/avoid-probate-transfer-on-death-accounts-29544.html [9/12/18] 6 - thebalance.com/how-is-the-gift-tax-calculated-3505674 [7/25/18] 7 - marketwatch.com/story/how-to-avoid-making-the-same-mistake-aretha-franklin-did-2018-09-04 [9/4/18]*