

Due to Popular Demand, We Are Rerunning The Article Beneficiary Mistakes Cost a Fortune

By: Roger Shumaker – President, Retirement and Tax Solutions

Beneficiary designations are important in determining where certain assets of an estate will end up. Many think that a will or trust is what determines where everything goes. This is not necessarily true, and it's a big mistake to make this assumption.

A last will and testament generally determines where items titled in your name will go. Items like real estate, cars, bank accounts, stocks, and bonds are included in a will. It is important to realize, though, that some assets are owned by contract rather than title, and those don't pass through your will.

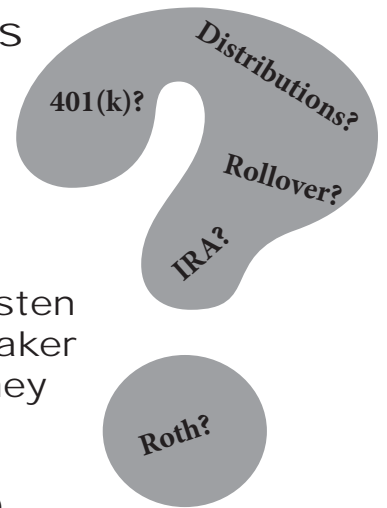
Assets that are financial contracts can be annuities, life insurance, IRAs and just about any other type of financial account. Each of these contracts may have a beneficiary designation. This designation says who you want to name to receive any proceeds at death. If your will says everything goes to cousin Susie, and your beneficiary designations say Uncle Ed, and all of your assets are in contract assets, it may all go to Uncle Ed.

Here is a real-life example. Anne, before she got married and had children, named her sister as the beneficiary on her retirement account. Later, she got married and had children, but the beneficiary designation was never changed. When Anne died in an unexpected accident, who do you think got her retirement account? Most would say her husband, but a Supreme Court ruling mandates that it goes to the sister. The court stated that, although it was probably her intent to leave the money to her husband and children, the only evidence in writing stated it should go to her sister.

Remember, forms cannot be changed after a death occurs; you get no second chance to get it right. Most attorneys often focus on what are called probate assets and don't review financial contracts outside of probate. Those are typically handled by financial professionals. This is an important area where the financial professional and the estate planning attorney need to be on

So many financial questions..

How will this affect my retirement plans?



For answers, listen to Roger Shumaker on "Senior Money Talks," 9 am Saturdays on KMAJ AM-1440.

Retirement & Tax Solutions
5909 SW 28th St. Suite #100
228-0222

Securities offered through Next Financial Group, INC,
member NASD, FINRA.

CLIF'S MOWING

Sign up now for fall clean-up: leaf clean-up, gutters, trim shrubs/trees.

- Aerate/Seed
- Gutter Cleaning
- Trim Shrubs/Trees

PHONE: 273-7268
CELL: 969-9959



ABR,CRS,GRI
Associate Broker

Diane Green

Expect the Best

www.dianegreen.com
diane@dianegreen.com

Multimillion Dollar Producer
785.267.8642 office
785.633.8642 cell



GRIFFITH & BLAIR
AMERICAN HOME

If you have grandchildren, another important issue is the default language on beneficiary forms. Do you know the difference between per capita and per stirpes? If not, pay attention. Mark's grandfather David had three children, Douglas, Donald and Lois. He named them as equal beneficiaries on several annuity accounts.

Unfortunately, Donald died before his father. The account was divided two ways between Douglas and Lois when David passed away. Since the default language was per capita, divided equally among surviving heads, Donald's children were entitled to nothing. If the words "per stirpes" were used when the beneficiary form was filled out, Donald's children would have gotten Donald's share.

Fortunately, in this actual situation, Douglas and Lois paid Donald's share to his children, although they were not legally obligated to do this.

We have seen 90% of families make mistakes when it comes to beneficiary forms. So this month, we have provided a 14-point checklist to help ensure the forms are filled out correctly. Go to www.RetireTopeka.com

(11) September 2009
for a complimentary copy of The Beneficiary Form Checklist.

Roger Shumaker can be contacted at 785-228-0222 with offices located at 5909 SW 28th Street, Topeka, KS. He hosts 'Money Talk' heard on KMAJ 1440 AM on Saturday's @ 9:05 am. Initial consultations are complimentary.

These views are those of the author and should not be construed as investment advice. All information is believed to be from reliable sources; however we make no representation as to its completeness or accuracy. Please consult a Financial Advisor for further information. Securities offered through NEXT Financial Group, Inc., Member FINRA/SIPC. Advisory services offered through Next Generation Investing, LLC. Retirement & Tax Solutions and Next Generation Investing, LLC are not an affiliate of NEXT Financial Group.

Mulvane Arts Musuem Events

The Art of Marc Brown: A Retrospective
Now thru September 13th

It's a Dog's Life: Photographs by William Wegman
from the Polaroid Collection
Now thru September 13th

Ageless Wonder Justin Marable
Now thru October 25th

A Few of Our Favorite Things: Selections from the
Whitcomb & Wilson Collections
Now thru January 17, 2010.



Come See the Difference!

\$2.00 OFF
The "Super or
Deluxe Wash
Enter This
Code 1st:
515110
at time
of payment

**Located Next to
Barrington Village**

**BUG OFF
CAR WASH**