**Script for Entire Video**

**Church official may open with a prayer and introduce Moderator.**

**Moderator:** Thank you for that kind introduction. Thank you to (church officials and church family for hosting).

I am honored to share the stage with a distinguished panel of financial professionals who will share insight, wisdom and information with us today.

**Introduce panel**

Panel, thank you all for giving your time and sharing your expertise with us today.

**Let’s discuss a bit about how this day will go:**

We are going to watch a short video about a family that has issues and questions and has turned to our panel of experts for guidance and answers. The panel will share their wisdom with you, not only to solve this family’s problems, but also to discuss what could have been done years before to avoid the issues they face today. We are not going to cover everything in the video today, but if there is enough interest and you’d like to hear more, we may be able to have more programs like this one.

Optional: First: included in the packet on your seats were blank pieces of paper for asking questions. If you have a question, please write it on the paper then either pass it down the aisle or simply hold up your hand and someone will come and collect it. During designated Question Sessions we will have the panel answer as many of the written questions as we can. We did this so you can stay anonymous if you want to ask a question but prefer that others don’t know it was you.

If you have a question just raise your hand and we will call on as many of you as we can. We will first answer all written questions before going to the audience for questions.

And one last comment: The information provided during this Community Forum is for general educational purposes. It should not be deemed legal, accounting or financial advice and should not be acted upon without prior consideration with appropriate professional advisors.

OK, let’s begin by watching the interview with the Simmons Family.

**[Film] *(16 mins.)***

**Moderator:** As I mentioned before, we do not have the time to cover every one of this family’s issues. Today, we will try to help (names of characters). (Put Family Tree on screen or refer to Family Tree in handout). But before we do, we think that it is important to lay the groundwork for all of our comments today by speaking openly about some of the challenges that we face as African-Americans. All of the professionals up here in front of you have Afro-American clients. While our clients are all different people at different stations of life, we find that we are continuing to come across black folk who make money, but do not save the amount of money that we should. In many ways the strategies that we present today will relate to developing and accumulating wealth. Panel, please start us off by making some observations about black people in America and the ways that we handle our money.

* Importance of net worth; the issue of lifestyle and not saving/investing. Statistics in the African American community and the disparity in saving behavior.

***The rest of the script is set in age order, oldest to youngest. Select the characters and issues you will address.***

**ADDIE**

The oldest family member is **Addie Simmons** (Nicey’s grandmother and Mary’s mother).

In the film, with Mary talking about her mother Addie, Mary’s comment was “my mother is doing fine. She lives with us. She can meet her needs.” But then Mary said “but she is 85 years old.” (Attorney) please tell us some of the steps that Addie needs to take to leave a legacy for her children, grandchildren and maybe great grandchildren after she passes away.

Objective is to see if her assets could be structured to avoid probate

* Estate planning: review Will, and complete estate planning documents (Living Will, Power of Attorney, Last Will and Testament)

**Moderator:** What about the house where Addie, Mary and Herbert are staying. Who owns that house? What do we need to know that will help us to answer that question?

* Do-it-yourself deeds can cause real problems;
* Critically important to get language right on deeds, particularly if there was a problem with language in prior deeds
* With a quit claim deed, Mary’s title is only as good as Addie’s title.
* Mary does not know what she actually owns without a title search by a trained professional
* There is an issue about whether this deed was filed. Best to have an attorney oversee any transfer of real estate

**Moderator:**  We know that the estate is the vehicle that Addie will use to leave a legacy. Is there any benefit to Addie holding the property in her estate until she passes away and then passing the property to Mary at her death?

* Check transfer of RE title to Mary to confirm that property is Adele’s primary residence
  + Valued at $175,000 in Addie’s estate and $125,000 in Mary’s
* 5 year “look back” for medi-care/medi-caid

**Moderator to Panel:**

Is there anything else that should be done for Addie?

* + Define for the audience what a “beneficiary” is
  + Check beneficiary designations on annuities to ensure equitable distribution of non-probate assets to heirs
  + Check titling of bank accounts, CDs and investments to determine whether they will be subject to probate.

**Moderator:** At age 85, spending for health care, and having the money to pay for health care related services will be an issue. (Retirement Planner), please discuss some of the issues related to how Addie will pay for her health care.

* + Review types of LTC options that could be helpful to Addie at 85 if they were put in place earlier
  + Explore feasibility and pros and cons of Medicaid planning
  + Quality of care – Medicaid planning without a spouse
  + What people in the audience need to do
  + Reverse Mortgage if cash flow (or more cash) is needed that currently available to live

**MARY**

Mary is 61 years old. She is Addie’s daughter and Nicey’s mother. She also has a husband, Herbert, who is disabled. One of the first things Mary said was that she was worried about running out of money. One great source of money for 60 year olds is Social Security. (Social Security expert), please give us some basic information regarding Social Security and then talk about some specific applications to Mary and Herbert’s situation.

General information on Social Security, and then specific issues for Mary and her husband

* How much will I get? (slide)
* Full retirement ages (slide)
* When should I file (slide)
* Social Security website (slide) – (*handout)*
* Addressing Mary and her husband – using some of Mary’s assets to make up difference in income; one person delaying SS while other applies
* Reminder about SS eligibility
* When is best time to collect Social Security?

**Moderator:**  Mary also said that she wanted to make sure that her retirement money lasted. (Retirement Planner), please speak to the importance of managing your retirement assets

* + Highlight importance of financial planning: review of investments and insurance coverages, identify income needs and sources, analyze consolidation or reallocation of investments, review income distribution options, coordinate with estate planning objectives
  + Basics of annuities, simply that it is a living income benefit that you can’t outlive

**Moderator:** (Attorney), you just looked at legacy planning from Addie’s point of view. Now please speak to us about how Mary should be doing her legacy planning.

Legacy planning for grandchildren

* + Review Will to update terms (including appointment of successor if primary Executor is unable to serve)
  + Give a short explanation of what a trust is
  + Complete Estate Planning documents – Living Will and Power of Attorney
  + Review beneficiary designations on life insurance for revising contingent beneficiaries
  + What about “Pre-paid Legal” services… GOOD, BAD? (explain what they are)

**Moderator:** Mary is having all kinds of issues with her house. On one hand she has a series of noticesfrom the State of (Pennsylvania). Please talk to us about inheritance taxes and what we should be looking out for if one of our relatives passes away and leaves us a house. Also talk to us about the right way to transfer a house between family members.

* Unpaid Inheritance tax bills
* Transferring real estate between family members – use professionals who can dot the “I’s and cross the “T”s. (Emphasizing importance of using professionals to prepare wills)

**Moderator:** So far we have not talked about Herbert, Mary’s husband who has some health issues. What

should we be thinking about in terms of ways to care for Herbert?

* + Difference in Medicaid planning when spouse is involved
  + Explore feasibility and pros and cons of Medicaid planning
  + Explore insurance options for Mary or reallocation of investment assets if she predeceases Herbert

**JOE**

**Moderator:**  Joe is Nicey’s brother. He is 30 years old and Nicey is worried about his overspending and not saving enough. He is married to Carla and they have three young children, ages 2, 5 and 6.

From the financial information gathered from the interview with Joe, what issues have you identified and what recommendations do you have for him?

* + Joe is living paycheck to paycheck, eats out a lot, pays bills late (fees), uses ATM card (fees), overdraft fees
  + Is he overspending, or not saving as he should be?
  + What he needs to do
  + Start college planning for young children now

**Moderator:**  (Accountant), as an accountant, you have great insight into how people should manage their money. What advice do you have for Joe?

* Establish a habit of awareness; forming new habits with ongoing relationship with Debtors Anonymous and their 12-Step Program
* Keeping a money earning and spending log
* Have a come-to-Jesus meeting about where they are right now, and then establish a road map to get to where they want to go.
* Keep a time log
* Discussion for need of a budget

**Moderator:** (Life Insurance Professional), you have some thoughts regarding ways that Joe can build wealth. Please share them.

* + Review psychology behind investment in depreciable assets vs. value of home ownership and assets that build equity and wealth.
  + Explain benefits of insurance planning for 3 children
  + Building tax advantaged wealth through retirement planning

**Moderator:**  (Attorney), Joe appears to need to take some basic steps to protect his family if he dies or suffers an injury. What are some of these steps that he should take?

* + Update will to provide for spouse and minor children (with Guardianship Appointment in event of death of both parents)
  + Complete estate planning documents: living will and Power of Attorney

**WALTER**

**Moderator:** Walter was Mimi’s husband before she passed away 8 years ago. He had two children with Mimi, ages 15 and 18. The $200,000 that Mary, his children’s grandmother, will give to the kids is great news for the kids and for Walter. But Mary wants the money to go to the kids and not to Walter. How can we be sure that only the children will get the money? (Life Insurance Professional), can you recommend some ways such an arrangement can be set up?

* Review types of college funding strategies when Mary (grandmother) can maintain control (529 plans, Uniform Gift to Minors Act, state tuition plans)

**Moderator:** Panel, are there other issues that Walter should be thinking about as his sons reach the age of 18?

* Power of attorney for age 18 son - HIPPA release, Medical Power of Atty., what could happen
* Family letter concept
* Storage of passwords
* Beneficiary designations

**Moderator:** (Retirement Planner), Walter owns a McDonald restaurant, which I am sure is a dream-come-true for his teenage children. But Walter had to invest some of his own money to buy into that franchise. Please talk to us about how Walter financed his investment and offer some advice to others who are considering making an investment to start up their own businesses.

Draining of 401 K to save for business start up

* Explain tax implications of draining personal retirement funds for business ventures
* Review of types of retirement plans for business owners
* Should he have depleted his 401(k)?

**Moderator:** (Accountant), does Walter have some options in terms of how he set up his business? Can you offer any advice to people who are considering starting a business about the best ways that business can be legally set up?

* ***General discussion on*** Choice of business entity (franchise or any other business)

**NICEY**

**Moderator:** We have come to the time of the day when we will talk about Nicey. Nicey is the glue that holds the family together. She stepped in with her mother when Mary felt like her life was frozen in time after the death of Mimi. She used her own tragic illness as the opportunity to pull her entire family together and try to make their lives better. She reached out for help from the community of financial professionals and they are here to answer her call. I think that we need to do the best job that we can for Nicey. Let’s start if off—(Attorney), Nicey is 42 years old, with a terminal illness and one year to live. What should she do?

Objective: planning for spousal trust with remainder to niece and nephews

* Consider establishing a trust under the Will with life insurance proceeds as a legacy for lifetime benefit of Michael and remainder to niece and nephews and their issue
* Review terms of Will to update Executor appointment and/or provide for successor Executor
* Complete estate planning documents – living will and Power of Attorney

**Moderator:** (Retirement Planner), are there some words of wisdom that you can give us about beneficiaries on an annuity, retirement or other type of financial product?

* Beneficiaries named with annuities; transfers to named beneficiaries occur outside of estate
* Be careful to keep beneficiary names current

**Moderator:**  (Accountant), are there some tax planning strategies with terminally ill people that we should know about?

Taxes and terminally ill

* Tragedy that she will die so young, but with proper planning there ways to help with taxes if planning starts now
* Medical expense deduction with final medical expenses can reduce income
* Liquidate assets with tax impact in mind
* Consider loan against insurance policy and check policy for accelerated death benefit
* Waiver of 10% penalty on retirement distributions

**Moderator:**  (Financial Planner), you have seen Nicey and Michael’s financial affairs. Are there ways for Nicey to help her family do some planning that will really help them later on?

* What debts do you pay off – high interest vs. low interest loans
* Planning for residence; moving may not be an option, but should be discussed
* Between credit cards and other debt, Michael has $58,000 in loans in his name; what should be done about that after Nicey’s passing

**MIMI**

**Moderator:** Now we come to Mimi. Her death eight years ago shocked the entire family and paralyzed her mother, Mary. That was unfortunate because Mary did not do for Mimi the things that should be done when a person passes away. (Attorney), please start us off and talk about what should have been done and the consequences of not doing those things.

Objective: explain difference between probate and non-probate assets; Inheritance Tax structure and due date for payment of inheritance tax obligations and payment of creditor claims

* + Automobile title can be transferred without need to open probate
  + No title transfer required with regard to possession of tangible personal property (contents of home)
  + Unsecured creditors have no venue through which to collect debt owed/automobile can be repossessed to satisfy car loan
  + An unsigned Will is ineffective and cannot be probated. If probate required (to transfer title) intestate succession will leave estate to Walter and children

**Moderator:** At the end of the day, the family will be the ones there for us. The importance of talking about these issues, openly and honestly, no matter how uncomfortable or difficult, will always result in a family without conflict, save in fees and taxes, and make every family member know they were thought of and considered.

OK panel, in our closing few minutes I’d like to go around the table for a quick closing comment. The question I’d like you each to answer is: IN ONLY 2 OR 3 SENTENCES, WHAT IS THE ONE THING YOU’D LIKE EVERYONE TO REMEMBER ABOUT TODAY’S PROGRAM.

**Moderator’s Closing Comments**

* I want to thank our panelists for sharing such wonderful information and insight with us today.
  + Contact information for each of the panelist is in the bios in your packet
  + Panelists will be available after the session if you have further questions
* Many thanks to the \_\_\_\_\_\_\_\_\_\_\_ Church family for hosting this event today.
* We thank your fine Pastor for all the support that you have given to us.

At this time I will turn the program over to \_\_\_\_\_\_\_\_\_\_\_\_\_\_ for final comments and a benediction.