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Newsletter

WELCOME SUMMER

Welcome our summer Intern Noah Hazlett



Noah grew up in Fairfield, PA and graduated high school there. During high school, he was a captain of the Cross Country and Track and Field teams. Noah also previously worked at Strawberry Hill Nature Preserve and Sunset Ice Cream. Nowadays, he is attending Robert Morris University as an incoming junior majoring in Political Science.

At Robert Morris University, Noah is a member of the Pre-Law Society, Political Science Club, and Club Cross Country team. Per Noah, "I am very fortunate to have the opportunity to learn about the legal field and to be a part of the team here at the offices." We are so thankful that we have Noah here with us this summer.

Fun Facts about Noah:

1. Noah runs Cross Country in College and also ran in High School.
2. The weirdest injury he got was in 7th grade. He got hit in the head with a shot-put. It did require quite a few stitches.
3. Noah worked at Sunset Ice Cream, so if you are looking for a mean milkshake, he can hook you up!
4. Noah enjoys hiking, kayaking, and camping in his spare time.
5. Noah is part of the Robert Morris Pre-Law Society.

Our Mission is to **provide mindful legal direction for you and your future generations.** We are committed to fulfilling our mission to you, our client, by adhering to the following principles:

C-Collaborating with your accountant and financial advisor to create the best team for you.

A-Advocating for you and your family in times of crisis

R-Reinforcing your estate plan with asset protection strategies

E-Ensuring efficient administration upon your death

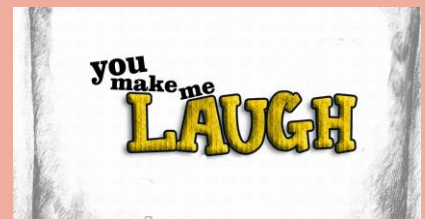
We **CARE.** We are looking forward to serving you!

DID YOU KNOW?

1. Did you know a person will sleep an average of 25 years in their lifetime. The average time a person sleeps at night is around 8 hours and people also spend an average of 7 years trying to go to sleep.



2. People laugh an average of 10 times a day. Laughter has many benefits such as lowering blood pressure and reducing stress hormones. It also triggers the release of endorphins and produces a general sense of well-being.



Virtual seminars

We would like to thank everyone for attending the virtual seminars over the past few months. The support from everyone has been overwhelming. We are looking forward to the upcoming topics we will cover during our monthly seminars. We have marked our calendars and hope you do the same. The following dates and topics are:

- ❖ **August 18, 2021 @ 12 pm-1 pm: “They’re Going Back.....to School”**
- ❖ **September 22, 2021 @ 12 pm-1 pm: “Fall Back to the Basics of Business”**
- ❖ **October 20, 2021 @ 12 pm-1 pm: “The Tricks of Medicaid Planning”**

We hope you can join us. Please note that we always add our virtual seminars to the seminar library on our YouTube channel, so please subscribe to our channel (www.youtube.com/channel/UCaQWFDV4chTFIqeJxuGU9Pw) so you know when we post new material. If you are interested in learning more about a certain document or topic, please let us know. If you missed any of our newsletters, please contact us at (717)-655-2676 or email us at mEEK@skwlawoffice.com to request your electronic copy.

Guest Blog: We are excited to offer non-legal information to our clients. Our first guest blog is from Dr. Jake Jacobs.



A little tidbit about Dr. Joe “Jake” Jacobs

Jake is a health and physical education instructor at St. John’s Catholic Prep in Buckeystown, MD and an adjunct professor at McDaniel College in Westminster, MD and Penn State, Mont Alto, PA. He holds a doctorate in the psychology of sport from the University of Maryland, College Park. He has shared health and fitness strategies in hospitals, community organizations, colleges and universities, and commercial and corporate offices.

Fit After Fifty

by Jake Jacobs, PhD

1994 UMD Sport & Exercise Psychology

To enjoy being fit after fifty is not rocket science, yet the majority of seniors I know (1) don't enjoy the full benefits of being fit, (2) don't have a good understanding of what it takes, and (3) don't know how simple and easy it is to make happen.

As an active Health & Physical Education teacher, over the years I have observed and learned that individuals experience the most energy and daily physical activity when they are about 10 years old. At 10 years old nobody has to tell you to go out and play, you would just go. With their basic needs, real necessities, and common conveniences provided for them, they have their “house in order.” They are much less burdened by the serious issues of life and keep themselves in vibrant shape. It may be true that some of this is done for them and some may say that those are years long past. Be that as it may, what 10 year old's enjoy is attainable for anyone at any age: to put it simply “get your house in order”, unburden yourself from the serious issues of life, and keep in vibrant shape. As we all age, our bodies experience a functional decline that naturally occurs. However, knowing what to expect and how to best manage the aging process will enable our bodies the best chance for high energy and physical activity. Be assured, a vibrant shape is certainly attainable at any age.

Achieving fit after fifty must include a certain amount of intention, discipline, and perseverance. It must also include a bit of reflection, originality, and imagination. This means, while a basic formula exists for all of us, each person's approach will be individual and personal. It takes the deliberate step of examining the dimensions of one's life history: including medical, environmental, occupational, spiritual, and functional lifestyle. Each of us must examine those daily habits, routines, and traits, and the forces and circumstances to which we attribute them. Exploring the lifestyle behaviors each of us has adopted is instrumental to discovering the right approach and next step. It goes without saying, but must be said, before beginning any change of lifestyle activity requires your doctor's approval.

What I call simple and easy, I propose is academic, and my recommended approach involves exploring the amazing dimensions and fascinating aspects of each person's life across all these dimensions. Much has been written about the value of memories for quality of life in the golden years. To the extent we can enjoy the reflection of memorable times and surround ourselves with evidence of those experiences, our lives are richer for it.

Fit after fifty is not the same for everyone. It can't be. Each person's fifty years of history is different from the next. It must be individual and personal, and yet it doesn't have to be isolated and alone. In fact, spending time with "like-minded" people and sharing group interests is very important for success. As far as basic needs go, noted social psychologist Dr. William Glasser might regard love and belonging above other more obvious food, shelter, and clothing needs. The "next step" will not take a miracle. Please know fit after fifty will not be without effort, but nothing real, lasting, and rewarding results from no effort.

Author's note: As an active Health & Physical Education teacher – I continue to teach graduate and undergraduate courses for Pennsylvania State University – Mont Alto, PA and McDaniel College – Westminster, MD – The attention to seniors across America, in terms of healthy living and lifestyle practices, habits, and daily routines, will continue to increase dramatically and substantially as our senior population grows. Seniors have earned a higher quality of life that they thought was achievable. I intend to compose the first 'playbook' for aging seniors, also entitled Fit After Fifty, and release it in 2021.



Blog from the Boss (Or Basically Sam's Humble Musings): **What's in Your Closet?**

By: Samantha K. Wolfe, Esquire, LL.M. in Taxation

"Is there hidden treasure in that closet?" "Do you think there is a dead body in there?" "Is it a closet?" "Why are there stairs leading to a closet?" My three sisters and I often asked each other those questions whenever we went to visit my great Aunt Katherine. Uncle Murray and Aunt Katherine lived in an old farmhouse in Maryland. On the second floor, there was a set of stairs that led to a third floor, but after you walked up six or seven steps, you came to an old door that was locked. It was creepy! It would drive my sisters and me crazy trying to figure out what was behind that door. We weren't sure whether there was a closet or a room on the other side of that locked door. My two older sisters were convinced that either Aunt Katherine kept treasures up there or there was a rotting dead body up there. I was, and still am a scaredy cat, so I was hoping for treasures instead of a decaying body.

One thing all four of us decided for sure was that whatever was upstairs in that closet, behind a locked door, must have been important in order for Aunt Katherine to keep it locked. We never saw her open the door and she never talked about storing anything in that locked closet. Needless to say, for four girls between the ages of 12 and 6, it was so perplexing. Weirdly, we never asked what was in that locked closet.

I think of that locked closet every time I am explaining an irrevocable trust to a client. Trusts are a hard concept to understand. A trust is really just a document that outlines what your wishes are in writing. A trust is really like Aunt Katherine's closet. You can build it to meet whatever specifications you want. You can make it as big as you want or as deep as you want. You can even decide which assets you store in the closet. You can decide whether that closet is locked or unlocked.

If you leave the closet door unlocked and you have the ability to open the closet door then you have access to those assets in the closet and the trust is a revocable trust. If you lock the closet door and give the key to someone else then the trust is an irrevocable trust because you do not have access to those assets in the closet. Typically, you determine if you want a revocable or irrevocable trust depending on what you are trying to accomplish with that trust. For example, if we are meeting with a client that wants to protect assets from creditors or long-term care costs then we recommend an irrevocable trust, or a locked closet. In order for the assets to be protected from your creditors and long-term care costs, you cannot

have the key to unlock the closet door. You can give the key to someone else you choose and they can use that key to unlock the closet door to access the assets in the closet. The type of trusts we use to achieve asset protection and long-term care protection, allow you, as the closet builder/trust grantor, to remove the individual who has the key to locked closet and give it to someone else. That means if that individual won't make a distribution from the trust, you can remove that individual and appoint someone else to serve in that position.

Whether the trust is revocable or irrevocable, unlocked or locked, determines the liability protection those assets owned by the trust/closet have. The fact that a trust is revocable or irrevocable trust doesn't always tell you how those assets are taxed for income tax purposes. The taxability of the trust is a different question altogether.

A trust can be treated as an independent taxpayer. That means if the trust is drafted a specific way, the trustee of the trust will have to file an income tax return on behalf of the trust beneficiaries and the trust will pay income tax at the trust income tax rates unless the trust income is distributed to the beneficiaries as allowed under the provisions of the trust. In most cases, clients prefer that a trust not be a separate taxpayer because although the trust income tax rates are the same as individuals, a trust reaches the highest income tax bracket, 37.0%, at a much lower threshold than an individual. For example, in 2021, a trust will pay income tax at a rate of 37.0%, if there is income generated in the amount of \$13,050. In 2021, an individual will pay income tax at a rate of 37.0% if the individual has taxable income exceeding \$518,400. It is much easier for tax purposes if the trust is not a separate taxpayer and is instead taxed to the trust grantor. The grantor is the individual who creates the trust.

The legal term used to describe trusts where the trustee has to file a separate income tax return on behalf of the trust and the trust beneficiaries is a non-grantor trust. A non-grantor trust is like a locked closet you build in someone else's house. It would be similar to if Aunt Katherine built a closet she was going to lock in her neighbor's house. Because the closet is locked and she wouldn't possess the key, the assets transferred to the trust would be protected from her creditors. Because the trust is in her neighbor's house, Aunt Katherine does not pay the income tax on the income generated from those assets owned by the trust. Instead, the trustee would need to file an income tax return and either pay the income tax at the trust income tax rates, or, if the trustee distributed the income out to the beneficiaries of the closet per the specifications of the closet, at the beneficiaries income tax rates.

Aunt Katherine's locked closet was located in her old farmhouse. That means that she created a grantor trust. A grantor trust is one in which Aunt Katherine pays the income tax on any income generated by the assets owned in the closet.

Think: Is my trust a closet that is locked or unlocked? Is my closet located in my own house or my neighbor's house?

For Aunt Katherine, if her closet was a trust, she would have had an irrevocable, grantor trust. The trust was irrevocable because it was a locked closet. It was a grantor trust because the closet was located in her farmhouse.

Aunt Katherine passed away when I was in college. One of the reasons I agreed to help my mother clean out the old farmhouse was so I could get to the bottom of the question about what was behind that locked closet door. For the sake of my sisters, I just had to find out what was in that locked closet. I was betting it was treasures. After all, what would be so important that you would lock a closet door for all of those years?

Guess what was behind that locked door? Absolutely nothing! As we should have guessed, it was not a closet at all. It was the attic. There were a few boxes stored up there that held seasonal decorations, but other than that, it was just exposed beams and cobwebs. Uncle Murray and Aunt Katherine never had children of their own, but they loved my dad and treated him as a son. That meant that my sisters and I were blessed enough to have them treat us as grandchildren. If I had to guess, I think that Aunt Katherine locked that door leading to the attic to protect my sisters and me from waltzing up there and hurting ourselves on those low-hanging beams. The mystery was put to rest and I will forever think of that locked closet door when I meet with clients. I'm glad that closet was useful after all!

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