

FACES NEWSLETTER

Family and Consumer Science



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PLANNING YOUR ESTATE

Robin T. Seitz
Extension Agent,
Family & Consumer
Science

Peggie L. Garner
County Extension
Director

Contact Us:

NCCE-Onslow County
4024 Richlands Hwy.
Jacksonville, NC
28540

(910) 455-5873
(910) 455-0977 Fax
<http://onslow.ces.ncsu.edu>

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Six Steps

Below are six steps that can help you as you get started in planning your estate.

Step 1: Communicate

Family members, all too often, are hesitant to discuss estate planning. This lack of communication is probably the greatest hurdle to overcome. Parents sometimes delay discussion because of the unpleasant overtones of growing old and dying. Adult children may avoid discussion on estate planning because they don't want to appear greedy or as if they are trying to take over.

Opportunities to discuss estate planning may arise from publications, seminars, and visits with financial and legal professionals. The death of a friend or relatives can lead to a family discussion on the importance of estate planning and how not planning ahead for the inevitable may result in family turmoil. Once a dialogue is started, many families find it's easier to discuss their situations, concerns and objectives. Delaying this conversation won't make the situation easier and can lead to greater problems if it never occurs.

Step 2: Collect Information

Having necessary information and documents in hand for the first visit with your attorney and estate planning professionals can save time and money.

Below is a condensed checklist of information your estate planning professional will require. Actual documents may also be needed, such as wills, deeds, major debt instruments, past gift tax returns, income tax returns, and financial statements for the past five years, trust instruments, information about the income tax basis of property, and any other document that will clarify how property is titled or who would be responsible for any debt.

Personal Information: Family members' names, birth dates, addresses, telephone number, occupations, and social security numbers.

Life insurance: Company name and address, policy number, face value and any supplemental values, cash value and any outstanding policy loan, exact name of owner, name of insured and name of beneficiary.

Checking and saving accounts: Name and location of institution, exact name on account, account numbers, amounts, how titled on signature card.



Personal Property: Motor vehicles, home furnishing, jewelry, art, personal items, antiques, machinery, livestock, and crop inventory. Provide a description that includes cost, value, ownership, how titled.

Real Estate: Type of property and size, location and description, year acquired, value, person who owes you, repayment plan.

Stocks, bonds, and other accounts receivable: Description, when purchased, number, exact name of owner, face value, and cost.

Trusts: Type, location, trustee, who established, exact name of beneficiary, value of trust property.

Notes, mortgages, and other accounts receivable: Description, year acquired, cost, how titled, market value.

Retirement benefits: Pensions, profit sharing, deferred compensation, individual retirement accounts, Social Security, qualified domestic relations order, amount invested, accrued benefits, annual benefits, death benefits.

Mortgages and other real estate debts: Description, name or creditor, date due, remaining to be paid, whether debt is an individual or joint responsibility, whether insured.

Liens against personal property: Description, name of creditor, date due, remaining amount

Other personal liabilities: Other personal liabilities: Unsecured notes, notes endorsed, real estate taxes,

personal property taxes, state taxes, federal taxes, unsettled claims, (name of creditor, date due, amount remaining to be paid, whether debt is an individual or joint responsibility, whether insured).

Taxable gifts: Amount, when made.

Location of important documents: All wills, trust documents, deeds, insurance policies, stocks and bonds, financial statements, income tax returns for last five years, gift tax returns, contacts, partnership and corporation agreements, profit sharing plans, marriage dissolution decrees, pre- and post-nuptial agreements, employment contracts, pension benefits.

Step 3: Clarify Objectives

Estate planning objectives vary from family to family because of family values, differences in family size, number and ages of children, assets and liabilities, and family income. Objectives may change with age, marital status, income, kind of property acquired, and other circumstances. Clarify your objectives and determine what you want to accomplish through your plan.

Some common objectives are listed below. Check those that apply to your situation and add others. If there is conflict among objectives rank them in order of importance.

- Provide security for surviving spouse.
- Relieve surviving spouse of estate management responsibilities.
- Provide security for both spouses after retirement.
- Retire at age ???.
- Provide security for an incapacitated family member.

- Assure continuity of family business.
- Provide educational opportunities for children.
- Minimize probate and settlement costs.
- Review current operation and ownership of business, farm, or ranch.

Step 4: Choose Professional Advisers

Estate planning can be technical and complex. Estate planning is typically not a “do it yourself” project. You may subject your family to many headaches down the road if you use an online estate planning kit. For example, probate laws vary by state and many online state planning kits do not address the variations in law. Additionally, the online kit may contain out-of-date information and forms.

Most people do not have the time to learn all they need to know and to keep up with changes to state and federal taxes. A team of professionals can be helpful in creating an estate plan. Your team may include a financial planner, attorneys, Certified Public Accountants, Trust officers, and life insurance underwriters. When selecting your team seek recommendation from friends, coworkers, or professionals who have done legal work for you. A resource for selecting a financial planner is the Certified Financial Planner Board of Standards at www.cfp.net. At that site, select Search for a Certified Planner to find a planner in your state. The North Carolina bar has a system for telling the public which attorneys have special skills in certain areas of the law. Attorneys who have passed a rigorous written exam, been reviewed by peers, and maintained a satisfactory professional ethics record can apply for certification in Wills, Trusts and Estate

for a five-year period. This is the highest classification a North Carolina attorney can attain. Even though not all good attorneys are board certified you can be assured that a Bar-certified attorney has a good reputation and a proven level of expertise.

Step 5: Choose Alternatives and Implement the Plan

There are several strategies for reaching your objectives. Ask your advisors to explain the alternatives from legal as well as tax angles. Explore the consequences of the various strategies from the beneficiary's perspective as well as your own. Even though gifting is a great strategy to use, if there is any likelihood that you will need the gifted property to provide income for your later years, this is not a strategy you want to use. Decide who is to receive what, when, and how. Once the plan has been developed, it is important to implement it. Otherwise, the time, energy, and money involved have been wasted.

Step 6: Review Plan and Modify As Needed

Once you have completed your plan, keep a copy in your safe deposit box and another one at home so you can review it as needed. Your plan should be reviewed at least every three years and more often if your family situation or objectives have changed. If your family has increased or decreased through birth, adoption, death, marriage, or divorce, you may need to make changes. And of course if tax laws change, you will want to review your plan for the impact of the new laws.

Summary

Estate planning is time-consuming and laden with complex decisions and emotions. No one forces you to plan your estate, but the six steps identified above will help you get stated. Once your plan is completed and in place you can spend more time enjoying life and less worrying about the future.

This information is not intended to be a substitute for legal advice. Rather, it is designed to create an awareness of the need for estate planning and to help families become better acquainted with some of the devices involved. Further changes in law cannot be predicted, and statements in this publication are tested solely upon the laws in force on the date of publication.

Mosquito Control

The warming temperatures and recent spate of heavy rains will lead to increased mosquito activity in the next week. So, now is a good time to correct problems before you start hearing that familiar buzz of mosquitoes in your ear when you're sitting outdoors in the evening

1. "Tip and Toss" - empty or (preferably) discard containers, old tires, etc. that can hold stagnating water.
2. If you use barrels/containers to collect rainwater for watering gardens, cover them with screening to keep out debris and mosquitoes. Keep the screens clear of debris as well.
3. Treat decorative ponds/pools with products containing the bacteria *Bacillus thuringiensis israelensis*.

4. Dump excess water from saucers under outdoor flower pots.
5. Flush the water out of bird baths at least twice weekly.
6. Store boats, canoes and other objects so that they do not collect rainwater. Remove water that collects in depressions in tarpaulins covering boats and other equipment or objects.
7. Cover or drain unused swimming pools.
8. Keep rain gutters free of leaves and other debris that prevent water from draining.
9. Correct drainage problems in your yard that allow rainwater to pool in low-lying areas.
10. Fill tree holes to keep them from being used as breeding sites by mosquitoes.
11. Remove debris (or report drainage problems) in drainage ditches and culverts along private or public roadways.

Clogged drainage ditches along roads can become productive mosquito breeding sites. Logging and construction activities often leave tire ruts in the soil. These depressions are ideal breeding sites for "floodwater" mosquito species. Around the home, natural tree holes and man-made objects such as birdbaths, boats, canoes, discarded tires, and plant pots collect rainwater and allow mosquitoes to breed literally right in our own backyard. Stagnant water in unused or poorly maintained swimming pools becomes an ideal breeding site. This can be a particular problem on homes that are vacant (e.g., foreclosures).

Repellents

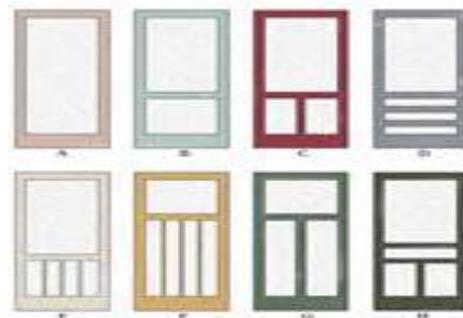
Some personal protection from mosquitoes can be achieved through the

use of insect repellents. Many of these products contain **DEET** (N,N-diethyl-m-toluamide), but the Centers for Disease Control and Prevention has updated its list of suggested repellent products. Select the desired formulation (e.g., lotion, aerosol spray or cream) containing the highest percent of active ingredient, as stated on the product label, and apply it to exposed skin. Repeated use of repellents over a short period of time is not recommended, especially for children and pregnant women.

Candles containing oil of citronella are often used outdoors to repel mosquitoes from around decks and picnic tables. These products work best when there is relatively little air movement to disperse the chemical too quickly. **Avoid splashing water on lit citronella candles.**

Non-chemical Control Measures

- Installing and maintaining tight fitting screens on doors and windows will help keep mosquitoes out of the home.



- **Bats** and birds, such as **Purple Martins**, may consume mosquitoes as part of their diet. You can install nesting boxes around your property to attract these natural predators to the area. However, bear in mind that the feeding activity of insect-eating bats and birds may not be sufficiently selective to cause

noticeable reductions in mosquito populations. Also, many of our major mosquito problems occur when some predators are inactive (or less active). For example, the Asian tiger mosquito is most active between 10:00am and 3:00pm when bats are normally roosting.

What Doesn't Work

Electrocutor traps ("bug zappers") placed out of doors are **not** effective in reducing or eliminating mosquito populations. Studies have shown that less than $\frac{1}{4}$ of 1% of the insects "zapped" in such devices were actually biting insects. The majority of the insects killed in electrocutor traps are actually beneficial in some form. Electronic mosquito repellents that emit high frequency sound to "repel" mosquitoes have not been shown to be effective.

Several types mosquito traps that use radiant heat and/or chemicals such as carbon dioxide or octenol to attract mosquitoes are now being marketed in the U.S. To date, there are no scientifically-based studies that prove that these traps are able to provide control of local mosquito populations. Some mosquito species such as Asian tiger mosquito are not attracted to these particular chemical cues.

Similarly, claims that certain plants placed around a porch or deck will repel mosquitoes are not supported by any scientifically-based test results.

Chemical Control

Chemical control of mosquitoes primarily targets the adult. Outdoor foggers will keep mosquitoes away for several hours, but once the chemical dissipates, mosquitoes may return to the

area. Spraying thickets or shrubs along the perimeter of your yard helps reduce the population of mosquitoes that rest in these areas. However, some species of mosquitoes may move readily back into these areas from surrounding untreated places. Consult the *NC Agricultural Chemicals Manual* or The Onslow County Extension office for more information on selecting appropriate pesticides for use against mosquitoes.

Teens and Drugs

The Facts

Experts say the age at which children start drugs, alcohol and tobacco has been dropping steadily. The average age of youngsters who try tobacco is 10. Kids who drink alcohol begin at around 11, and marijuana smoking starts about age 13. The younger a child is when he begins to use drugs, the greater the risk to develop other problems associated with drug use, such as school failure, unplanned or unprotected sex, acts of violence and driving accidents.

Research has shown that parental involvement makes a critical difference in children's lives. Parents can influence their children if they reach them early and if they continue to reinforce strong values throughout adolescence.

How to talk about drugs

Begin an ongoing dialogue

Some parents assume that when their child reaches a certain age, it's time to sit down and have a 'drug talk.' A better approach is to begin early and talk often. Explain the difference between legal drugs used for medical purposes, and illegal drugs, used for fun.

Teach kids how to say “no”

Peer pressure is massive, and grows as kids enter adolescence. Help your children practice how to refuse drugs in a way that fits their personality. Example “No thanks, I don’t want to fry my brains,” or “I’ve signed a no drug agreement with my coach.”

Put your drug use to rest

It’s not uncommon for some parents to experience inner conflict about the topic of drugs if they used them during adolescence. It’s important to keep in mind that drugs today are more prevalent, more potent, and lead to more promiscuous behavior and violence at younger ages than in the past. The consequences, such as sexually transmitted diseases (STD) and HIV, are also greater.

Teach about consequences

Make clear rules and enforce them with love, firmness and consistency. Let kids know that you don’t want them using alcohol, tobacco or illegal drugs. Children at all ages need boundaries. Don’t be afraid to establish a clear family policy.

Be a role model

If your kids see you drinking or taking drugs that will undermine your well-intentioned discussions. If anyone in your household used drugs and alcohol as a regular coping mechanism, they are also sending clear messages to your kids. Think about what you’re modeling for your children and have candid talks about addiction from an early age.

Use teachable moments

Catalysts for teachable moments can be found on television, in the newspaper, or an event that occurs at school. Example:

If you’re watching a program in which the characters are smoking marijuana you can initiate a conversation by asking, “Do you know what they are smoking?” or “Tell me what you know about the effects of marijuana?” Ask your kids for their opinion and listen to their concerns. Conversations such as these can provide non-threatening ways to clarify misinformation and reinforce your values.

Become media literate

Movies, television and music saturate kids with distorted messages about drugs, alcohol and tobacco, often making them seem cool. You can counteract these messages through informal discussions. Point out that in real life these behaviors lead to painful consequences. The intention of media is to make money, not protect children.

Encourage healthful activities

Involve your children in appealing extra-curricular activities and after school programs or sports. Kids with unsupervised time and little to do are more likely to experiment with drugs and alcohol.

Listen and watch

Be aware of where your kids are and with whom they associate. Notice changes in personality, academic performance, friends or a downside in appearance. Paraphernalia such as butane lighters, pipes, rolling papers or eyedroppers are a few signs of potential drug use. If you sense the signs of drug use, seek help from professionals.



Get a Taste of the Blues

Blueberry season is in full swing and there's nothing better than blueberries you

pick yourself or buy from your local blueberry farm or farmers' market. These berries will be the freshest you can get, with little or no handling and travel. Nothing beats the flavor and fragrance of fresh-picked blueberries!

Blueberries are one of the easiest fruit to prepare and serve. There's no peeling, pitting, coring or cutting. Select plump, full blueberries with a light gray-blue color. Don't wash berries until just before using to prevent berries from becoming mushy.

Simply sort through to remove any stems, leaves or other debris and to take out berries that are over or under-ripe. A berry with any hint of red isn't fully ripened, and once picked, it won't ripen and further. Chill berries to increase shelf life. Fresh-picked, refrigerated blueberries will keep 10 to 14 days. When you're ready to use them, place fresh berries in a strainer and rinse with cool water.

You can feel good about choosing to eat blueberries, as they are very nutritious. Research tells us that of all fresh fruits and vegetables, blueberries provide the most health-protecting antioxidants. They are rich in Vitamins A, C, E and beta-carotene as well as rich in potassium, manganese, magnesium. They are very high in fiber and low in saturated fat, cholesterol and sodium.

North Carolina Cooperative Extension
North Carolina State University
Onslow County Center
4024 Richlands Highway
Jacksonville, North Carolina 28540
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