



THE AMERICAN MILITARY PARTNER ASSOCIATION

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Financial Planning & Readiness

Facilitated By:

Lori Hensic, PharmD, BCACP, AAHIVP

Director of Educational Affairs

The American Military Partner Association

lori@militarypartners.org

Prepared & Presented By:

Marci Bair, CFP

President

Bair Financial Planning

Marci@BairFinancial.com

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- The information presented may not be representative of the beliefs and/or advice of The American Military Partner Association. This presentation is informational in nature only, and should not be interpreted as specific financial and/or legal advice. You should contact your financial planner and/or tax advisor for more information on how these changes may apply to you specifically.

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Financial Strategies for
the LGBT Community

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Important Questions and Considerations

- What can I do to help ensure my partner to inherits my estate in an efficient way regardless of where we live?
- What if I live in a state that doesn't recognize same-sex marriage?
- What benefits are we eligible for if we were married and live in a state that allows same-sex marriage?

As a member of the Lesbian, Gay, Bisexual and Transgender (LGBT) Community, you face unique challenges and questions when it comes to estate planning.



Evolving Legislative Landscape for Same-Sex Couples

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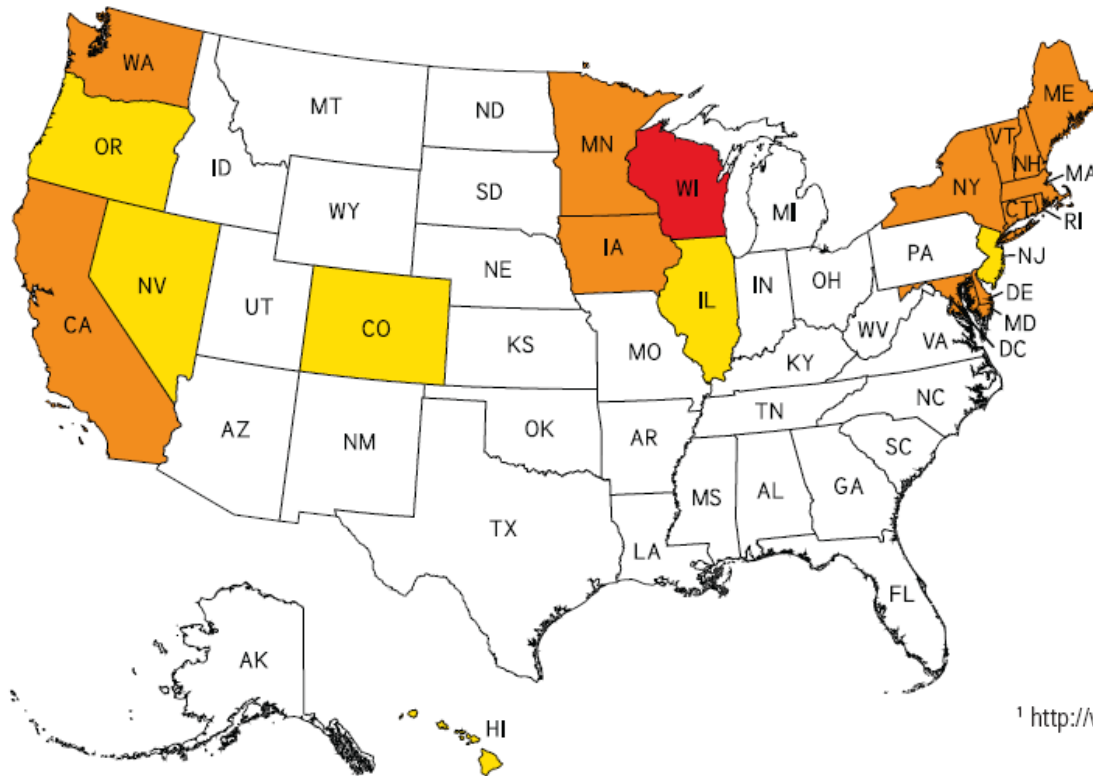
Same-Sex Marriage Update

On June 26, 2013, the Supreme Court of the United States ruled that section 3 of the Defense of Marriage Act (DOMA) is unconstitutional

Premise of decision:

- Marriage defined and regulated by states
- Section 3 of DOMA impacted the benefits legally married couples received because it denied legally married same-sex couples the federal benefits that heterosexual couples receive
- 5 – 4 decision that section 3 of DOMA established “two contradictory marriage regimes within a given state”, which the Supreme Court deemed unconstitutional

Ever-Evolving Marriage Equality Map



Updated July 1, 2013¹

- **States that issue marriage licenses to same-sex couples** (13 states and D.C.): California, Connecticut, Delaware, District of Columbia, Iowa, Maine, Maryland, Massachusetts, Minnesota, New Hampshire, New Jersey, New York, Rhode Island, Vermont and Washington.
- **States that provide the equivalent of state-level spousal rights to same-sex couples within the state** (6 states): Colorado (civil unions), Hawaii (civil unions), Illinois (civil unions), Nevada (domestic partnerships), New Jersey (civil unions) and Oregon (domestic partnerships).
- **States that provide some statewide spousal rights to same-sex couples within the state** (1 state): Wisconsin (domestic partnerships).

¹ http://www.hrc.org/files/assets/resources/marriage_equality_laws_072013.pdf

Digging Into the DOMA Decision

- Impact on legally married same-sex couples living in states that recognize their marriage
- Impact on legally married same-sex couples living in states that don't recognize their marriage
- Impact on legally recognized civil unions on domestic partners

Digging Into the DOMA Decision

- Impact key federal marriage benefits
 - Social security
 - Federal taxes
 - Income taxes
 - Estate and gift taxes
 - Employee health care benefits
 - Retirement and pension plans
 - Divorce
 - Immigration

High-Level Snapshot

If you...	What has changed?
<p>...get married and live in a state that allows same-sex marriage</p>	<ul style="list-style-type: none"> You are eligible for state and federal benefits
<p>...get married in a state that allows same-sex marriage but move to a state that doesn't OR ...live in a state that doesn't allow same-sex marriage but get married in a state where it is legal</p>	<ul style="list-style-type: none"> You are not eligible for the state's laws and benefits related to marriage You may have access to SOME federal benefits – depending on the federal agency
<p>...are a foreign national in a same-sex marriage with a U.S. citizen</p>	<ul style="list-style-type: none"> Your spouse can apply for a permanent resident visa for you
<p>...live in a state that doesn't allow same-sex marriage, but are in a legally recognized civil union or domestic partnership</p>	<ul style="list-style-type: none"> Nothing has changed. You will continue to receive state's benefits associated with your state's civil unions/domestic partnerships. You will not receive any federal rights or benefits.

The Important Take-away from DOMA

The patchwork of different state laws regarding marriage equality make proactive planning every bit as important today as ever before.

Areas to consider when planning for the future

- Estate Planning
 - Passing on a legacy to my loved ones

- Protection Planning
 - Preparing for whatever the future holds

- Retirement Planning
 - Enjoying financial freedom in retirement

Estate Planning

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Typical Estate Planning Goals

- Organizing your personal affairs
- Accumulating an estate
- Planning for orderly distribution of your estate
 - Provide for a surviving partner or other beneficiaries
- Strategizing to pass estate efficiently by planning for estate costs and taxes

Please note: This document is designed to provide introductory information on the subject matter. MetLife does not provide tax and legal advice. Clients should consult their attorney and /or tax advisor before making financial investment or planning decisions.

Estate Planning Team

- You and your partner
- Financial professional
- Your accountant
- Estate planning attorney



Estate Planning Basics

- Develop a will
- Name a guardian
- Create a durable power of attorney and health care proxy
- Develop a priority of visitation document
- Get an advance health care directive or living will
- Consider creating and funding a living trust
- Look into Irrevocable Life Insurance Trust (ILIT) *

* If a donor gives away or releases any incident of ownership in an existing life insurance policy, the entire death benefit will be pulled back into his/her taxable gross estate if death occurs within three years of making the transfer.

Protection Planning

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Protection Planning Basics

- Think about Life Insurance
- Look into Disability Income Insurance
- Consider Long-Term Care Insurance*

*MetLife does not offer long-term care insurance products.

Retirement Planning

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Retirement Planning Basics

- Review your retirement plans at work
- Consider the benefit of cash value life insurance *
- Take extra measures to plan for retirement, such as:
 - Traditional Individual Retirement Accounts (IRAs)
 - Roth IRAs
 - Annuities

* Tax-free distributions assume that the life insurance policy is properly structured, is not a Modified Endowment Contract (MEC) and distributions are made up to the cost basis and policy loans thereafter. Should the policy lapse or be surrendered prior to the death of the insured, there may be tax consequences. Loans and withdrawals will decrease the cash value and death benefit. Cash value may not be guaranteed. Investments in variable life insurance are subject to market risk including loss of principal.

Questions



Important Information

This material and any estate, gift or generation skipping transfer (GST) tax (together referred to as "transfer tax") calculations reflect the law established under the American Taxpayer Relief Act of 2012 (the "Act"). Among other things, the Act establishes a transfer tax exemption amount of \$5,000,000 (as adjusted for inflation after 2011) per person, establishes a maximum transfer tax rate of 40% and provides for continuing portability of the estate tax exemption between spouses. Customers should understand that tax law is always subject to interpretation and change. MetLife and its affiliates do not provide tax advice and therefore customers should speak with their qualified legal and tax counsel regarding their current estate plan and what planning options are available and appropriate.

Important Information

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Not A Deposit • Not FDIC-Insured • Not Insured By
Any Federal Government Agency
• Not Guaranteed By Any Bank Or Credit Union •
May Go Down In Value

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