May 2017

Estate & Financial Planning Council of Southern New Jersey

Member of the National Association of Estate Planners and Councils

June 1, 2017
EFPCSNJ Installation and Awards Dinner

Date:
Thursday, June 1, 2017
Location:
Seasons 52, Cherry Hill Mall, Cherry Hill, NJ
Time:
6:00pm—9:00pm
Price:
EFPCSNJ Members or Non-Members—$85.00

This meeting is sponsored by:

For additional Information Please see Page : 6

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Letter from the President

Dear Council Members:

As the saying goes, time sure does fly when you're having fun! It is hard to believe that my year as President of this fine Financial and Estate Planning Council will come to a close in just one short week when we swear Mark Penny in as your next President. I am sincere in saying that I have thoroughly enjoyed my time on the Board. In that capacity and, particularly, this year as President, I have had the privilege of getting to know so many of you and learning more about all of the wonderful services you provide to your clients and to our community of advisors. You are a wonderfully accomplished group of kind, compassionate and capable individuals, and your dedication to your clients and to "getting it right" is unparalleled. Thank you for the honor of allowing me to serve as your President this past year.

I am exceedingly proud of all that we have accomplished. My personal goals for the Council for the year were: (1) to increase membership, and (2) to provide educational events that were sophisticated, smart and highly relevant. As to the former, we plainly succeeded. We exceeded our budgeted figures for both member retention and new member growth. I'm thrilled with our numbers, and with our turnout to the educational events. As for providing a slate of sophisticated, smart and relevant educational events, I think the topics that we chose to present to you this year checked all three of those boxes. I promise you that your Board works very hard to ensure that all of our speakers, likewise, check all three boxes. I hope that you enjoyed the events you attended this year. Trust that, to the extent you shared constructive criticism regarding a presentation or an event, we heard you and will continue to do our best to bring you the best.

Before I move on to promote the upcoming Installation Dinner on June 1st, I must pause and thank Jane Fearn-Zimmer, Esquire, of the Rothkoff Law Group, for her wonderful presentation on the ABLE Act and Special Needs Trusts earlier this month. I think we would all agree that her presentation was sophisticated, smart and relevant. Thank you also to Glenmede and Wells Fargo Private Bank for your generous sponsorships at our May event.

Finally, please mark your calendars for **Thursday, June 1st**, to join us for our annual Installation Dinner at **Season's 52 at the Cherry Hill Mall**. Join me in celebrating another great year and the installation of a wonderful and dedicated Council Board Member, Mark Penny, as our next President. We will also have the opportunity to toast (roast??) a dear friend to the Council, Anthony LaRatta, Esquire, who will be presented with this year's Founders Award for outstanding service to the financial and estate planning profession. Very well deserved, Tony. Finally, a very big THANK YOU to Wells Fargo Private Bank, Bernstein Private Wealth Management, Legacy Wealth Management and Friedman LLP, RTD Financial Advisors and Hempstead & Co.who have all signed on to sponsor our dinner on June 1st. We couldn't do it without you!

If you have any questions about sponsorship opportunities, membership, the Newsletters or anything else, please always feel free to reach out.

See you all on June 1st at Seasons 52!

Sincerely,
Jamie Shuster Morgan, Esq.

Interested in becoming an Accredited Estate Planner?

Professional estate planners can now achieve an accreditation that acknowledges their experience and specialization in estate planning.

The Accredited Estate Planner is available to attorneys, Chartered Life Underwriters, Certified Public Accountants, Certified Trust and Financial Advisors, Chartered Financial Consultants, and Certified Financial Planners®.

The AEP designation is a graduate level specialization designation which recognizes estate planning professionals who meet stringent requirements of experience, knowledge, education, professional reputation and character. It is awarded by the National Association of Estate Planners & Councils.

For more information contact Tim at EFPCSNJ@mail.com or 856-795-0551.

The AEP candidate form can be downloaded from the

2016-2017 Meeting Schedule

Educational Meetings are usually approved for 1.0 CFP & CPE credits.
Meeting registration and more information can be found at www.EFPCSNJ.org

Thursday, September 29, 2016
Topic: Update on Uniform Trust Code
Speaker: Glenn Henkel, JD, LL.M., CPA - Kulzer & DiPadova, PA
Location: The Mansion on Main Street, Voorhees, NJ
Schedule: Breakfast 7:45 a.m.; Program 8:15-9:30a.m.
Sponsor: Garden State Trust Company

Thursday, November 17, 2016
Topic: New Regime Financial Update
Speakers: Anne Bucciarelli, CFA - Bernstein Wealth Management, Renee Vidal, J.D. LL. M. - Flaster Greenberg
Moderator: Kip Schaefer - Bernstein Wealth Management
Location: Laurel Creek Country Club, 701 Centerton Rd., Mt. Laurel, NJ
Schedule: Breakfast 8:00 a.m.; Program 8:30-9:30a.m.
Sponsors: Mass Mutual Financial Group, Praxis Data Systems, UBS Financial Services, Inc.

Thursday, January 19, 2017
Topic: Dilemmas of Dementia - Elder Care Event
Speakers: An exciting line up of presenters will be announced shortly
Location: Laurel Creek Country Club, 701 Centerton Rd., Mt. Laurel, NJ
Schedule: Breakfast 8:00 a.m.; Program 8:30-9:30a.m.
Sponsors: LifeSpan Care Management, Rothkoff Law Group. Virtua SeniorWise Care Management, Wells Fargo Private Bank

Thursday, February 16, 2017
Topic: International Tax Consequences Here and Abroad
Speakers: Patrick McCormick, JD & Kristin Schmid, JD—Kulzer & DiPadova
Location: The Mansion on Main Street, Voorhees, NJ
Schedule: Breakfast 8:00 a.m.; Program 8:30-9:30a.m.
Exclusive Sponsor: Praxis Data Systems

Thursday, May 4, 2017
Topic: Able Act Accounts and Special Needs Trusts
Speaker: Jane Fearn Zimmer - Rothkoff Law Group
Location: Laurel Creek Country Club, 701 Centerton Rd., Mt. Laurel, NJ
Schedule: Breakfast 8:00 a.m.; Program 8:30-9:30a.m.
Sponsor: Gelnmede, Wells Fargo Private Bank

June 1, 2017
EFPCSNJ Installation and Awards Dinner
Location: Seasons 52, Cherry Hill Mall, Cherry Hill, NJ
Schedule: 6:00 pm - 9:00 pm
Sponsors: Bernstein Private Wealth Management, Friedman, LLP, Hempstead & Co.,
Legacy Wealth Management, RTD Financial Advisors, Wells Fargo Asset management

INTERESTED IN SPONSORING AN EVENT?
If you are interested in sponsoring an EFPCSNJ meeting in the 2017—2018 Meeting Year, please contact Abby Murray at 856-795-0551.

76 Trombones Led the Big Parade!

By: Will Merriken, ChFC, AEP

One of my favorite movies which I still love to watch is The Music Man. What a classic! Professor Harold Hill—the truly classic travelling salesman! We all know the story.

Wellllll… my friends! Well, we have trouble, right here in River City. It's a capital T and it rhymes with P and that stands for Pool. Right here in River City!!!

Well… we have similar trouble in the Life Insurance business which has been brewing for quite some time. The trouble of which I speak also rhymes with P and it stands for Projections and Performance. Specifically, unrealistic interest rate projections and under performance of interest credited to Universal Life policies.

The first Universal Life policy was created in 1981 by E.F Hutton who merged into Smith Barney. Ah—remember their TV ads with the Alfred Hitchcock look alike gentleman and the tag line—"We earn our Money!" Alas, I date myself! Remember also that we had 15% CD rates in the mid 80's and Universal Life Insurance Sales illustrations showed interest rate projections for cash accumulation at 11 and 12% for the next 60 years!! ***For the next 60 years!!!*** ***OMG!!*** We surely have trouble in River City!

Fast forward to today and pretend you are one of the many who bought a Universal Life policy in the mid, late 80's or early 90's. And you put it in a Trust, specifically an ILIT, to help pay for Estate Taxes or as a protected Legacy Gift. And you appointed as Trustee your oldest child or brother or sister or a combination of people—all of whom are smart, successful and well intentioned. They accepted the job as Trustee with a brief letter of guidance from your attorney. Maybe you gave then the actual Trust document, maybe you still have it. IF you gave them the Trust document chances are high they've never read it much less have a good understanding of their responsibilities and liabilities. Yes, they've paid *the billed premium each and every year* with the money you've faithfully gifted into the Trust. Your Trustee gets the annual statement and dutifully files it but doesn't read it, much less the fine print on page 2 (or3) that says how long the carrier expects the policy to last.

Welllll… my friends—we surely have trouble. You are now 73, in good health, with a reasonable chance of making 85 or 90. The carrier annual statement's fine print says *"This policy will lapse in 2 years and 245 days if you continue to pay the premium as billed. It will lapse in 180 days if you pay nothing further."* What?? you say, incredulously! But I've paid all the premiums every year *as billed*. Yes, you have. But that premium was calculated using an assumed rate of 11 or 12%. Crediting rates are now 3%, the minimum guaranteed in the contract language. The light begins to dawn. Yes, we've been in a 30+ year declining interest rate environment. But no one ever told me I should pay more as interest rates declined to keep the policy cash value in line with the original policy projection. Ooppss!

But that's not the worst of it. *Your Trustee (most often a relative)* ***is personally liable*** for making sure the policy does what it was intended to do—pay a death benefit to provide cash for estate taxes OR a legacy gift to the kids/grandkids. And now your Trustee finds out the policy might not last as long as you do?? Wellllll, my friends, we surely have trouble in River City!! "You mean the beneficiaries can legally sue the Trustee for not tracking the performance of the policy and not making mid-course corrections? Yep, they can!"

Consider these statistics about Universal Life which I've extracted from a presentation made on 4/25/17 by Trust Assets Consultants, LLC to the Society of Financial Service Professionals in a national webinar –

A June 2014 Harris Poll found **60%** of private owners of life insurance believe their premiums are "Set in Stone".

45% of Life Insurance bought between 1983 and 2003 is non-guaranteed.

70% of Amateur Trustees have not reviewed the Trust Life Insurance policies in the last 12 years.

10% of Trust Owned Life Insurance (TOLI) is owned and managed by an Institutional Trustee.

90% of TOLI policies are owned and managed by an "Amateur Trustee", the eldest child!

Approximately **23%** of Universal Life policies are expiring early due to reduced interest rates and "neglect" by the Insured and/or Trustee.

Summary– Each of us voluntarily decide to be a member in good standing of this wonderful Estate and Financial Planning Council of Southern New Jersey. We interface everyday with our clients about all kinds of issues. We want them to do well and achieve their short, mid and long range goals. ***I urge you to put this issue on your checklist.*** Ask your clients for the annual policy statement and read the fine print to check how long the carrier expects the policy to last at various premium payment levels. Lastly, to assist your client in moving forward positively to correct the situation I suggest you request from the carrier -- In Force Ledger projections—(IFL's) . These will help you and your client assess their options for how best to make a course correction and preserve the policy's death benefits.

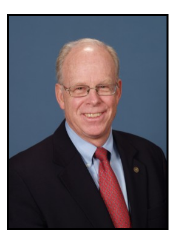
All the best,

Will Merriken, ChFC, AEP, and advocate for properly funded Life Insurance

Past President EFPC; Member SFSP and NAIFA

Life and Qualifying Member of MDRT

PS—If you were trying to remember but couldn't, the co-stars in the original Music Man movie (1962) were Robert Preston and Shirley Jones! 😉



Will Merriken, ChFC, AEP is the Principal Advisor and Owner of Merriken Financial Group, Inc.

Will can be reached by phone at 856-235-6300 or email: Willm@merriken.com
or via the Merriken Financial Group, Inc. Website at: www.merrikenfinancialgroup.com

This article reflects the opinions of the author and not necessarily those of EFPC of SNJ.

June 1, 2017
EFPCSNJ 2017 Installation and Awards Dinner

Date: Thursday, June 1, 2017
Time: 6:00pm—9:00pm
Seasons 52, Cherry Hill NJ
EFPCSNJ Members & Non-Members - $85.00

Come and celebrate the past year while we install the new officers of the EFPC of SNJ. You do not want to miss this opportunity to reconnect with old friends and make new friends over cocktails and dinner. Cocktails will be at 6:00 pm followed by the Installation and Awards Dinner at 7:00 pm.

Meeting Sponsors:

AB BERNSTEIN

FRIEDMAN LLP
ACCOUNTANTS AND ADVISORS
Your livelihood, empowered.

HEMPSTEAD & CO. INCORPORATED
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WEALTH MANAGEMENT GROUP, LLC
Creating & Preserving Wealth For Future Generations

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WELLS FARGO ASSET MANAGEMENT

June 1, 2017 EFPCSNJ Meeting Registration Form

NAME: ________________________________ Member ___ Guest ___
COMPANY: ____

PHONE: _______________ EMAIL: _________________________

NAME: ________________________________ Member ___ Guest ___

COMPANY: ____

PHONE: _______________ EMAIL: _________________________

Registration Fee: $85 Enclosed is my check for $________ payable to:

EFPCSNJ• PO Box 460, Collingswood, NJ 08108 • Phone: 856-795-0551 • Fax: 856-210-1619 • efpcsnjmbrsvcs@bowermanagementservices.com• www.efpcsnj.org

ONLINE REGISTRATION OPTION: Register online at the EFPCSNJ website (www.efpcsnj.org) and pay with a credit card. This

It is with great honor that The Estate and Financial Planning Council of Southern New Jersey awards

Anthony R. La Ratta Esq.

the 2017 Founders' Award

Established in 2001, The Founders' Award is presented to an individual who has provided distinguished service to the estate and financial planning profession.

The committee considered a number of worthwhile candidates and concluded with Mr. La Ratta as their selection.

We are proud to honor Mr. La Ratta's professional work and contributions with this award formally at the Installation and Awards dinner on the evening of Thursday, June 1st, 2016 at Seasons 52 in Cherry Hill, NJ.

Past Recipients of the award are listed below:

- Michael A. Kulzer, J.D., LL.M.—2016
- Douglas Fendrick, Esq.—2015
- Blaine A. Capehart, Esq. - 2014
- John E. Hempstead, ASA, CFA - 2013
- No Award Given - 2012
- Richard T. DeCou, Esq. – 2011
- Nancy Earp, CISP - 2010
- Thomas F. Praiss, EA, CFP, AEP – 2009
- Steve Mignogna, Esq. – 2008
- Martin H. Abo, CPA/ABV, CVA – 2007
- Kenneth Silverstein – 2006
- Glenn A. Henkel, JD, LLM, CPA – 2005
- Arlene Vetter – 2004
- Dale A. Vetter, ChFC, MSFS, CLU, AEP – 2003
- Richard H. Weidner, CFP – 2002

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2016-2017 DUES RENEWAL

Description	Amount
Individual Member @ $170	
Corporate Members – first 4 members @ $170	
Corporate Members – 5th member and more @ $120	
Total	

$170 for dues paid after 10/1/16

Please make check payable to EFPCSNJ and mail to: PO Box 460, Collingswood, NJ 08108

You can renew online and pay by credit card by going to the EFPCSNJ website (www.efpcsnj.org) and click "Member Renewal" on the left hand menu bar. You will need to log into the website as a member to renew your membership. Please call 856-795-0551 for assistance.

Please make check payable to EFPCSNJ and mail to: PO Box 460, Collingswood, NJ 08108

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BENEFITS OF MEMBERSHIP

- Access to National web site and all its resources
- Quality speakers at the meetings
- Great networking opportunities
- Continuing education credits at every meeting
- Access to great resources through the membership directory

CONTACT INFORMATION

Member:______________________________________

Nickname:______________________________________

Discipline**:______________________________________

Title:______________________________________

Company:______________________________________

Address:______________________________________

City: ____________________ State: _____Zip: _______

Phone: ____________________Fax:____________________

E-mail: ______________________________

Website:______________________________

**Discipline:		
Attorney	Accounting	Financial Planning
Insurances	Reverse Mortgage Consultant	Trust Officer
Other (please explain)		

2016-2017 Council Executive Board

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Jamie Shuster Morgan, Esq.
Fendrick & Morgan, LLC

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Friedman, LLP

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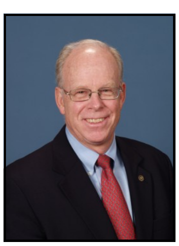
Eric A. Feldhake, Esq.
Kulzer & DiPaDova



Immediate Past President:
William S. Merriken, Jr., ChFC
Merriken Financial Group, Inc

Council Sponsorship

Becoming a Council sponsor is a great way to support the Council and promote your company's commitment to the financial services profession.

GOLD SPONSOR – $475
~ A 1/4 page ad in every newsletter.
~ A link to your company's web site on the patrons page of the Council's web site.

MEETING SPONSOR – $400
~ Company name on all meeting notices.
~ Attendance for 2 at the event.
~ Display of materials promoting your firm.
~ Verbal recognition at the event.
~ Multiple sponsors for the event
~ Honorary membership in the Council for current membership year.

For more information contact Abby Murray at :
efpcsnjmbrsvcs@bowermanagementservices.com
Or 856-795-0551

Tim Bower, CAE

Executive Director

PO Box 460

Collingswood, NJ 08108

Phone: 856-795-0551

Fax: 856-210-1619

Estate & Financial Planning Council of Southern New Jersey

Membership Application

Apply online at www.EFPCSNJ.org

Name: ____

Title: ____

Company: ____

Address: ____

Phone: ______________________ Fax: ______________________

Email: ____

I am actively engaged in the estate and/or financial planning profession in ____________________ county for _________ years.

I hold a license or designation/certification and am a member in good standing in the following:

________ Attorney ________ CPA ________ CFP ________ ChFC ________ CLU

________ CTFA or qualified professional employed in tax, trust or estate practice by a financial services firm.

Or I have a ________________________________ certification/designation.

My area of discipline(s): ________ Accountant ________ Attorney ________ Financial Planner

________ Reverse Mortgage Consultant ________ Insurance ________ Trust Officer

Or: I have been involved in this industry as: ________________________________

Or I would like to apply to be a member of EFPCSNJ under one of the following NEW non-voting member categories: ______Student ($25 annually) For students attending undergraduate or graduate programs)

______Faculty ($40 annually) For University/College faculty

______ Young Professional ($75 annually) For young professionals 35 years of age or less that do not have the necessary credentials or experience but are working towards full membership

______Associate Member ($195 annually) for people that provide services to the clients of EFPCSNJ members but do not have the necessary designations to become a full member and are not primarily involved in the financial planning process. Associate Members are offered a $100 discount on one EFPCSNJ Breakfast Meeting Sponsorship.

Signature: ____________________________ Date: ______________________

Recommended by Member: ____

(please print)

Signature of Member: ____

Membership cost: $170 per year. You can also submit your membership application online at www.efpcsnj.org. Corporate membership is available.

More information can be found at www.EFPCSNJ.org.

Tim Bower, CAE
Executive Director
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Kulzer & DiPadova

Immediate Past President
William J. Merriken, Jr. ChFC
Merriken Financial Group, Inc.

Call for Articles

Please consider submitting an article for inclusion in future newsletter issues. We are now seeking articles for the EFPCSNJ newsletters.

Articles should be between 1,200 and 2,000 words

which is usually three to six typed pages.

Submissions should be sent as a word document to Abby Murray at efpcsnjmbrsvcs@bowermanagementservices.com.

This is a great way to get involved with EFPCSNJ and to share knowledge and information with the rest of the members.

To view recent newsletters please visit the EFPCSNJ website (www.efpcsnj.org) and go to Documents.