



motion picture
pioneers
assistance
fund

SOCIAL SERVICES CORNER

VOLUME 4, ISSUE 7

JULY 2009



ASK THE SOCIAL WORKER: WHAT HAPPENS IF I NAME A TRUST AS BENEFICIARY OF MY IRA?

Question: What are the consequences of making my trust the beneficiary of my traditional individual retirement account?

Answer: There are a few common reasons for naming a trust as beneficiary of an IRA. One is to maintain control — to ensure that the assets of the IRA are distributed according to the same plan that is set up in your trust. Such control may be important if, for example, the beneficiary is a child or has special needs. Another reason is to fund a bypass trust — that is, to make sure that you can make optimum use of your estate tax exemption amount.


However, there are plenty of disadvantages to naming a trust as beneficiary. For one thing, you will be funding the trust with pretax money. So, say you direct \$500,000 of IRA money into the trust. The trust will not actually be funded with \$500,000. It will be \$500,000 minus the taxes owed on the IRA when the money is distributed. By contrast, if you put \$500,000

of cash in the trust, the trust is funded with the full \$500,000, because the cash is after-tax money.

If you are married, another risk in naming a trust as beneficiary is that your spouse cannot automatically roll over your IRA into an IRA in his or her own name when you die. For a spouse to be able to do that, the spouse — not the trust — must be the beneficiary. Being able to roll over a deceased spouse's IRA is a huge advantage and one you should think twice about giving up.

It is possible to name a trust and still manage to roll over some or all of the IRA, but it will take a good lawyer to structure the trust and beneficiary designation properly, and even then, there are no guarantees. Some taxpayers have made it work, others have not.

— *Nolo Wills & Estate Planning Center*

 Copyright © 2009 Nolo
www.nolo.com

To view more articles from Nolo, visit wrpioneers.org. Our Life Planning Series, *Getting Started*, has 42 articles to help you plan for a secure and comfortable future. The articles are free to read and print. Members without Web access may call our Social Services Department at 888.994.3863, ext. 2370.

JOKE OF THE MONTH

**You'll always stay young if you live honestly,
eat slowly, sleep sufficiently, work industriously,
worship faithfully, and lie about your age.**

— *Jolly Jokes for Older Folks Age-Enhanced*. By Bob Phillips
Laughter is known to boost the immune system, lower blood pressure,
burn calories and release pleasure-inducing chemicals in the brain.

Go Green!

Receive the *Social Services Corner* by email.
Call 888.994.3863, ext. 2370, or e-mail info@wrmail.org.

CONTRIBUTORS

- **Veronica Rosenblatt, MA, MS, CMC**
Director of Social Services
- **Karen Wiener, MA, MFT, CMC**
Manager of Social Services

Renewable resources were used to produce this printed piece.



The Motion Picture Pioneers Assistance Fund is a program of the Will Rogers Motion Picture Pioneers Foundation.



Mixed Sources
Product group from well-managed forests, controlled sources and recycled wood or fiber
www.fsc.org Cert no. C-COC-1300 000
© 1996 Forest Stewardship Council

FPO
Chromatic
on proof



INFORMED CONSENT: WHAT TO ASK YOUR SURGEON BEFORE MAKING A DECISION ABOUT SURGERY

Surgery is almost always a scary prospect to confront. The American Association of Neurological Surgeons offers patients this list of questions they should ask before the day of any surgical procedure:

- What surgery are you recommending?
- Why do I need it?
- Are there any alternatives to this surgery?
- What are the benefits of having this procedure
- What are the risks?
- How much postoperative pain will there be?
- What might happen if I choose not to have this surgery?
- Where can I go for a second opinion?
- What is your experience with this procedure?
- How much will the surgery cost?



- Where will the surgery be performed?
- What kind of anesthesia will be used?
- Can I eat or drink anything the day before and/or the day of my surgery?
- How long can I expect to be in the hospital?
- Where should I go when I arrive at the hospital, and what should I bring with me?
- How long will it take to recover?
- What if I still have pain or still experience symptoms after surgery?
- When do I schedule my post-surgery follow-up appointment?

NEW ADDITIONS TO THE MPPAF'S NATIONAL RESOURCE DIRECTORY

Ready America: www.ready.gov/america

This Web site is a national public service launched in February 2003 to educate, empower and prepare the public for disasters. It asks individuals to do three key things: 1) Get an emergency supply kit, 2) make a family emergency plan, and 3) be informed about the different types of emergencies that may occur and appropriate responses.

www.PandemicFlu.gov

This Web site provides comprehensive government-wide information on pandemic influenza and avian influenza. The U.S. Department of Health and Human Services Interagency Public Affairs Group on Influenza Preparedness and Response is responsible for coordinating pandemic-related information across the federal government.



QUOTE OF THE MONTH

“When you are dissatisfied and would like to go back to youth, think of algebra.”

— Will Rogers

QUESTIONS OR COMMENTS?

Call Karen Wiener, Manager of Social Services at (888) 994-3863, ext. 2390, or write to karen@wrmail.org.