Equally Prepared:
Financial planning for the LGBT community

Chandler Mercer
Janet Bandera
May 22, 2017
Staying on course: Today’s agenda

- Overview
- The evolving regulatory landscape
- The basics
- Estate planning for your life and death
- Financial consultant relationships
- Tools you can use
- Action steps
Evolving regulatory landscape: How did we get here?

- U.S. vs. Windsor
- Obergefell vs. Hodges
Considering marriage? Already married? How marriage may affect your planning

- Social Security benefits
  - Spousal retirement benefit
  - Spousal disability benefit
  - Lump-sum death benefit
  - Surviving spouse benefit

- Pension eligibility

- Spousal IRAs

- Medicaid & Medicare Second Payer (MSP)

- Insurance policies
  - Auto, home, personal umbrella
  - Long-term care
Considering marriage? Already married? How marriage may affect your planning

- Taxes
  - Marriage penalty
  - Marital deduction

- Divorce
Retirement Advisor:
Estimating what you’ll need to retire

TIAA Retirement Advisor
Answer your most important retirement questions and find out how to reach your goal.

Is my money invested appropriately?

Take action in four easy steps.

If you have a TIAA retirement account, we recommend that you log in so we can give you more personalized advice and actionable information.

1 Set Your Goal 2 Enter Information 3 Pick Your Strategy 4 Reallocate Portfolio
The basics: Start at the beginning

- Assess your current situation
- Make planning a priority
- Get invested
The basics: Save now. Savor later.

- Good debt vs. Bad debt
- Pay off high-interest debt before beginning to invest
- Max out the annual contribution limits on retirement accounts
- Consider saving at least 10% of your income each year
- Start saving right away to take advantage of compounding
What’s your risk level?

- Conservative
- Moderately conservative
- Moderate
- Moderately aggressive
- Aggressive

There are inherent risks associated with investing in securities, including loss of principal. The greater the risk, the more likely you can lose money. An investor’s needs and the suitability of an investment should be carefully considered prior to purchase. Past performance is no guarantee of future results.
Diversify your portfolio

- Divide your investments into stocks, bonds and cash equivalents
- Diversification can help you avoid big changes in the value of your investments
- Many investments start with stock-based accounts or funds
- Remember to account for inevitable healthcare expenses
- As retirement approaches, consider shifting more investments into bonds and fixed annuities so your portfolio is potentially more stable
- Diversify by sector, too

Diversification is a technique to help reduce risk. However, there is no guarantee that diversification will protect against a loss of income.
Estate planning: For your life and death

- **Life**
  - Durable powers of attorney
  - Health-related issues

- **Death**
  - Beneficiaries
  - Wills
  - Trusts

TIAA-CREF, its affiliates, and their representatives do not provide tax or legal advice. We strongly suggest that you consult with your tax and legal advisors prior to taking any action or implementing any suggested strategy discussed during this presentation.
Estate planning: For your life

Powers of attorney

- Durable
- General vs. limited
- Immediate vs. springing
What would happen if you couldn’t make your own healthcare decisions?

- Healthcare Proxy or Power of Attorney
- Healthcare Directive or Living Will
How property passes to your beneficiaries

Your Assets

- **Sole Ownership**
  - Tenancy in Common
  - Community Property
  - By Intestacy or Will (Probate)

- **Joint Tenancy w/ROS**
  - Tenancy by Entirety
  - Transfer or Payable on Death
  - By State Law (Non-Probate)

- **Retirement Assets**
  - Trust Property
  - Life Insurance
  - By Agreement/Contract (Non-Probate)

Beneficiary
Estate planning: For your death

**Beneficiaries**

- Life insurance, annuities and retirement plans will pass to your designated beneficiary, rather than by will
- It is important to designate, review and update your beneficiaries
- If you don’t have a will, assets will pass according to your state’s laws
Estate planning: For your death

**Where there’s a will...**

- Have one!
- Review it regularly
- Don’t leave distribution of your hard-earned assets up to the state
Estate planning: For your death

**Trust us...**

- Revocable vs. irrevocable
- During your lifetime or at your death
- Parties: Grantor, Trustee, Beneficiaries
Taxes

- Income tax
- Estate tax
  - Marital deduction
  - Portability
- Gift tax
Finding a Financial Consultant

Ask the right questions:

- What are your credentials?
- How are you compensated?
- What is your record of professional conduct?
Tools and resources

How TIAA can help:

- My Plan Sheet
- Estate Planning
- Financial Consultant Sheet

Retirement Advisor
tiaa.org/setyourgoals
Additional resources

- Human Rights Campaign – hrc.org
- GLAAD – glaad.org
- National Gay & Lesbian Chamber of Commerce – nglcc.org
- American Civil Liberties Union – aclu.org/lgbt-rights
- Freedom To Marry – freedomtomarry.org
- NCLR – nclrights.org

Please note that we do not endorse nor are affiliated with these websites but are providing them as examples of resources from which you can obtain additional information. We are not responsible for their contents.
Planning for your financial future:
What you can do next

- Pay off debt
- Resolve to make saving a priority
- Review your retirement plan regularly
- Make a will. Review it regularly
- Create a living will and other legal documents that make your wishes known in the event you can’t communicate them
- Use our online tools: tiaa.org/tools
- Research
Congratulations

Knowledge = Power
Thank You!

Schedule a one-on-one session with your preferred financial consultant.

To schedule a one-on-one session with a TIAA Financial Consultant call 800-732-8353

Schedule online at tiaa.org/schedulenow
About 4% of the US Population identifies as LGBT¹ - if you do the math, that's approximately 13 million.


The landmark case of United States versus Windsor was decided in June of 2013, which put same-sex marriage in the spotlight.


Only about one third of LGBT Baby Boomers feel confident they are financially prepared for retirement.


More than 90% of return variability comes from asset allocation so those that can go the distance and stay in the market are going to get a better long-term return.


Everyone probably remembers the Terri Schiavo (SHY-VO) case in the late 1990’s. It took 7 years of legal battles to eventually terminate her life support.

In fact, HIPAA actually provides a way for patients to indicate their wishes in these areas. HIPAA is the law that established national health information privacy standards. The regulation provides protections for the privacy of certain individually identifiable health data, and establishes rules balancing patient rights with the need to protect public health. Under HIPAA regulations, hospitals may use or disclose a patient’s protected health information to a family member, other relative, close personal friend or any other person the patient identifies. The law respects the patient’s wishes on matters of privacy and confidentiality.


Fewer than one in three U.S. adults say they have a living will.


According to Forbes and Rocket Lawyer, as of April 2014, 51% of Baby Boomers, those age 55 to 64, don’t have wills. The top three reasons cited by survey respondents for not having a will: procrastination, didn’t seem urgent, a belief that they don’t need one.

For Federal purposes in 2015, this amount is $5.43 million.

9 IRS. In 2015, Various Tax Benefits Increase Due to Inflation Adjustments. October 30, 2014.

To be a Certified Financial Planner, they must successfully complete the CFP board’s comprehensive certification exam. They have to have three years of financial planning-related experience before they earn the right to use CFP marks. They must voluntarily ascribe to the CFP Board’s code of ethics. Finally, the CFP must complete 30 hours of continuing education every two years to keep current with financial planning and ethical knowledge.

10 Financial Planning Association “How a Financial Planner Can Help You”
The Retirement Advisor does not monitor your retirement assets or personal circumstances. The purpose of the retirement income tool is to show how the performance of the underlying investment accounts could affect the participant's policy cash value and the resulting retirement income. It is not intended to project or predict investment results. The advice may vary over time and with each use. There may be other investments not considered by the Retirement Advisor that have characteristics similar or superior to those being analyzed. The tool's advice is based on statistical projections of the likelihood that you will achieve your retirement goals. The projections rely on financial and economic assumptions of historical rates of return of various asset classes that may not reoccur in the future, volatility measure and other facts, as well as information you have provided.

IMPORTANT: Projections and other information generated through the Retirement Advisor regarding the likelihood of various investment outcomes are hypothetical, do not reflect actual investment results and are not a guarantee of future results. The projections are dependent in part on subjective assumptions, including the rate of inflation and the rate of return for different asset classes. These rates are difficult to accurately predict. Changes to the law, financial markets or your personal circumstances can cause substantial deviation from the estimates. This could result in declines in the account's value over short or even extended periods of time.
Consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877-518-9161 or go to tiaa.org for a prospectus that contains this and other information. Read the prospectus carefully before investing.

Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.
Investment products may be subject to market and other risk factors. See the applicable product literature, or visit tiaa.org for details.

TIAA-CREF Individual & Institutional Services, LLC and Teachers Personal Investors Services, Inc., and Nuveen Securities, LLC, members FINRA, distribute securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. The TIAA Retirement Advisor is a brokerage service provided by TIAA-CREF Individual & Institutional Services, LLC, a registered broker/dealer and member of FINRA.

The tax information contained herein is not intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding tax penalties that may be imposed on the taxpayer. TIAA, its affiliates, and its representatives do not give tax or legal advice. It was written to support the promotion of the products and services addressed herein. Taxpayers should seek advice based on their own particular circumstances from independent tax and legal advisors.

tiaa.org

© 2016 Teachers Insurance and Annuity Association of America-College Retirement Equities Fund (TIAA-CREF), 730 Third Avenue, New York, NY 10017

C25408