PROFESSIONAL FINANCIAL SERVICES, INC.

"DESIGNING AND PROTECTING WEALTH"

ONE PLAN AT A TIME

ROBERT E. TUCKER
PRESIDENT
Tel (703) 391-0299
Fax (703) 391-0277

10913 LAWYERS ROAD
RESTON, VIRGINIA 20191
e-mail: bobtucker@pfsinc.info
website: www.pfsinc1.com

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Mr. Robert E. Tucker
10913 Lawyers Road
Reston, VA 20191

Dear Bob:

We are now only 25 days away from an election of the President, the House, the Senate, and a whole array of candidates on the state and local levels. At these critically important times in our nation's history, it always occurs to me the mere privilege of having our voices heard in the freest of all countries is both an amazing benefit and an awesome responsibility.

Hundreds of thousands of men and women who have given their lives in defense of our country so that we have the right to take this simple act of casting a vote. In my opinion voting is an obligation-not an option. At the very least, it is a way to honor all of those who have given so much to all of us. So, PLEASE VOTE. Let your voice be heard.

2025 Planning Calendar

It is a pleasure to enclose a 2025 planning calendar. It is my annual gift to you. I hope you find it useful, but feel free to pass it along to family or friends if you prefer.

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Market Commentary

This has been an amazing year: As of 9/30/24 the DOW is up 12.30%, the S&P 500 largely driven by "the Magnificent Seven" stocks is up 20.80%, and the NASDAQ is up 21.20%. So, even though you're not 100% in stocks, your accounts are almost certainly up. In addition, on September 18th, the Fed lowered interest rates by 1/2%. The impact of lower rates is to lower mortgage rates, and Home Equity Lines of Credit, which for many is a blessing. It also creates an increase in the value of Fixed Income assets like treasuries, corporate bonds, and bond mutual funds. However, it means money markets, savings and checking accounts, CDs, as well as treasuries and corporate bonds will earn less.

What's next? Will the presidential election result in significant market changes? Will the Fed lower interest rates further? I'd love to tell you I know, but I don't. What I do know is markets go up and markets go down. As I've said countless times, focus on having enough cash and income to live the way you want for 3-5 years. I view amounts in excess of this as long-term money.

You should invest, expect markets to go up and down, and not react to market changes. Long term is long term. I often use the example that at the bottom of the 2008-2009 market crash the DOW was at 6,500. As of 9/30/24, the DOW Is 42,330. Historically, all it takes is time, and retirement does NOT mean you need to cash in everything or fear market swings.

Sources: https://leimberg.com/Portal/DataNet
https://abcnews.go.com/Business/wireStory/major-us-stock-indexes-fared-monday-9302024-114364599

Planning/Risk

One of my biggest concerns in working with clients is to focus on one's Risk Tolerance. For the vast majority, a balanced structure matches their risk profile. A Balance Investor generally should have 50-60% in Equities (stocks/stock funds) and the remainder in Fixed Income (treasuries/corporate bonds/bond, mutual funds, cash/cash equivalents and/or alternative investments). It is, therefore, highly important to have an understanding of your risk tolerance and how you are actually invested.

All too often I encounter people who score as a balanced investor but who have excessive amounts in one category or the other. It's not ok to not know where you are. Most people are happy in rising markets,, and they don't pay attention as long as they're seeing gains. Everything is wonderful until it isn't. Here's what I believe. Life happens. We all experience the occasional curve ball. Sometimes it's no big deal. Other times it can result in calamity. That's why planning is both truly important and never ends. It is a continual process. Why? Families change, economics changes, taxes change, lifestyle needs change. Everything changes. Please read the enclosed article, it's an interesting perspective.

Conclusion

These topics are important. One day it will be too late to address them. What you have done will be cast in concrete. It will be either good or bad. I choose good, and I hope you will also.

It is a privilege to serve you, and clearly, doing so is a passion of mine. I so very much appreciate the opportunity you've given me to assist you, and I look forward to continuing to do so at every opportunity. Please reach out to me any time you feel I may be able to be of help to you, your family, and your colleagues.

Best personal regards,

Robert E. Tucker, CLU
Chartered Financial Consultant

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This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Past performance is no guarantee of future results. The S&P 500 Index is an unmanaged index of 500 common stocks that is generally considered representative of the U.S. stock market. Performance of an index is not illustrative of any particular investment and the performance figures quoted are historical. It is not possible to invest directly in an index.

The author, juggling only a fraction of the estate's paperwork

My Mom Died. Then Came the Ordeal

As an executor, I faced hassle after hassle. Here's how you can avoid them By LORI TRAWINSKI

WHEN MY mother asked me to be her executor, I thought I knew what that would entail: gather up the money in her accounts, dole it out as directed by her will and tie up other loose ends. My mother had been my father's executor when he died, and the process had seemed straightforward. I imagined that this sad task would take less than a year.

How wrong I was. It's been nearly two years since my mother died, and I'm still not done. Mom did many things right. She had a will, a power of attorney and a health care power of attorney. She let me know who should get certain items after her death. Her estate was not complex. Still, it's been an exhausting cascade of notarized forms, phone calls, faxes and difficulties. But I've learned a lot about how my mother and I could have made this easier. Whether you're doing your own estate planning or you're in line to be an executor one day, I have lessons for you.

Prepare for the cost of dying.

Most funeral and burial costs can be covered by a person's estate, but belatedly; when a loved one dies, you have to pay up quickly and, if there's money in the estate, get reimbursed later. I had two days to hand over $17,500 for Mom's funeral, wake and casket because the funeral home required upfront payment and didn't take credit cards. They suggested a company that lends money for funerals, but those lenders might charge 30 percent interest or demand your car's title as collateral. Luckily, my siblings and I could afford the $25,000 total cost of Mom's funeral and associated expenses without borrowing.

Life-and-Death Lesson 1: *It would have been great if Mom had set up a joint bank account with me, so I could access the money for the funeral.*

Get ready for more upfront expenses.

When you're the executor, companies will let you report the death, but they won't share account balances or make any transactions unless you have letters testamentary—legal proof of your authority to act on behalf of

the estate. So until you probate the will and obtain letters testamentary, you have to pay the estate's bills with your own funds, assuming you have any. In New Jersey, where Mom died, it took nearly six weeks to get the letters and another four to get access to her accounts, during which time I paid her bills—power, property taxes and more—out of my own pocket. ***Life-and-Death Lesson 2:*** *Here again, a joint account with Mom would have helped.*

Your bank may drive you nuts.

Upon receiving my letters testamentary, I needed to open an estate checking account for receiving money owed the estate and paying its expenses. This was easy at PNC Bank, where Mom had a savings account.

Things didn't go so well at Capital One, where Mom had bank accounts, a credit card and a car loan.

First, the bank accounts. At Mom's local branch, an employee scanned the death certificate and my letters testamentary, and I filled out a form indicating how I wanted to receive the money. I was told that the estate department, which had no number I could call, would be in touch. Then came weeks of back-and-forth communication: a request from the bank for more information or another form, my response, a five-day delay, then another request. When, after nearly two weeks of silence, I still hadn't received the money, I wrote to say I would be filing a complaint with the Consumer Financial Protection Bureau and the New Jersey attorney general. That got me a speedy—and classic—response: The check was in the mail. Nearly two months after my visit to the bank, that check finally arrived. Meanwhile, the bank's credit card department was calling me constantly about my mother's small credit card balance.

The auto loan was another source of frustration. At the time of her death, Mom's monthly payments were being automatically deducted from her checking account. When a regular payment was deducted from her account a week after she died, Capital One reversed the transaction. I tried to make the payment with my own funds, but was rejected. As soon as I received my letters testamentary, I prepared to pay off the loan—which is when I saw the late fees for the payments never made because the bank wouldn't let me. With my record of attempted payment in hand, I protested. They removed the fees, and I paid off the car. (I reached out to Capital One for comment. They now provide a phone number for the estate department, but only for help with bank and credit card accounts. You still have to call the auto loan department separately.) ***Life-and-Death Lesson 3:*** *Keep detailed records of all calls and conversations with institutions you deal with. File a complaint with regulators if you are not being treated fairly.*

Utilities aren't easy either.

Unless you are listed on an account, phone, wireless and internet providers probably won't talk to you on the phone. They may tell you to go to one of their stores and bring a death certificate and letters testamentary. Ironically, soon after I did that and got added to my mother's Verizon Fios account, I went to a store to close it ... but was told I had to do that via the phone. Closing Mom's mobile plan took three visits to an AT&T store and happened, miraculously, even though I didn't have the account password they expected me to know. ***Life-and-Death Lesson 4:*** *Get your name added to utility accounts so they are easier to manage.*

Paperwork can be a pain.

My mother had a brokerage account at TD Ameritrade with a few stock holdings. Transferring those assets to the estate was easy. Mom also owned four individual stocks that she had never put in her brokerage account. These took a lot more work. The beneficiaries had to fill out a form with their tax information and address. I also had to obtain a "medallion guarantee" from a bank—a document confirming my identity and legal authority to transfer stock.

The difficulty continued after I mailed all the documents to Computershare, the transfer agent for the stock. Two weeks later, tracking the package online, I saw it had stopped dead at a post office. Computershare then told me that the mailing address on their website was for an office that had been closed for some time. Luckily, the post office found the package and forwarded it to the right location. ***Life-and-Death Lesson 5:*** *Consider moving directly held stocks into a brokerage account or use a "transfer on death" (TOD) designation. If you're the executor, send important documents using a service that allows you to track shipments.*

Smooth the Way

More steps for making life easier for your executor and heirs

Choose a trustworthy executor who is patient, thorough and attentive to detail.

Complete a will and any funeral requests, and make sure your executor can get to them.

Catalog all assets and debts. Make a list of account passwords and phone passcodes.

Check IRA and 401(k) beneficiaries. They're set in account paperwork, not your will.

AFTER MOM'S DEATH

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either. Since it's in another state, I had to hire a local attorney, open an ancillary estate and find a real estate agent. The property finally sold in June.

Life-and-Death Lesson 6: *Selling unused assets now will smooth things after you're gone. Consolidating financial accounts may help too. People talk about Swedish death cleaning of one's home, but no one talks about asset death cleaning. Sounds morbid, but we should do it.*

Get ready for the feelings.

One more challenge is worth mentioning: This is emotional work. Transferring the hard-earned assets my parents had accumulated over their lifetimes was sad. Turning off the cell service to a phone I had once called daily was so painful that I put it off for months. I shed many tears as an executor, some from frustration but most from the sadness of losing Mom. I was lucky to have a supportive wife and siblings as well as help from an attorney. If you are an executor, don't be afraid to lean on others for help.

Lori Trawinski is the director of finance and employment at the AARP Public Policy Institute.

This article is historical and based on information that was current at the time of initial print. It contains information that has changed. Staff and business names may have changed.
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