

**JOHN
HAGER**
Commentary



Green Bay Press-Gazette ■

Tuesday, September 22, 2009 ★

Rethink financial plans in downturn

With the market still unsettled and tax changes afoot, many investors are sitting on their hands. Stock and real estate values are depressed, leading some to conclude that updating their estate plan is unnecessary right now.

Not so. From a tax perspective, the current state of the market may actually present planning opportunities. Even the most carefully constructed estate plans need adjustment over time, adapting to family changes and fluctuating asset values.

Above all, you should never postpone providing legal protection for your assets and your family. This protection is even more important during a downturn, so that survivors have ample time to adjust — both emotionally and financially — without being forced to sell assets while values are in decline.

Here's how the current economy could influence your estate and financial plans:

■ **Boomers with elderly parents:** As elderly parents' assets decrease in value, adult children are considering their parents' needs when coordinating their own financial plans. This may mean planning a break from the work force to provide personal care, budgeting retirement funds to supplement the elder's income, or providing for an elder in your will.

■ **Hoping to retire:** With market values depressed, there may be a window of opportunity for certain individuals to convert traditional IRAs to Roth IRAs and obtain income tax benefits. This is also time to examine the balance in your portfolio and consider altering contributions into under-weighted asset categories.

■ **Soon to retire:** This is the time to evaluate investment and withdrawal strategies, review retirement benefits such as Social Security and pensions, consolidate accounts, and plan for future health-care needs. Find out how benefits will be adjusted by changes to your target retirement date. You may still come out ahead by retiring early.

■ **Recently retired:** The reduced value of your investment accounts means you may need to reconsider your withdrawal plans and coordinate your beneficiary designations. In light of the struggling economy, Congress temporarily suspended required minimum withdrawals from retirement assets for 2009, which may allow you to reduce your required distributions and preserve more principal in your retirement accounts.

A down economy presents both challenges and opportunities for your estate and financial plans. Meet with qualified advisers and estate planners. They can help you work out what you want to achieve and how to make it a reality — no matter what the economic season. Despite the market dip and continuing tax uncertainty, the main focus should continue to be on family security.

John Hager is a partner in Green Bay-based law firm Hager, Dewick & Zuengler, S.C. He is also a certified public accountant. Contact him at (920) 430-1900 or jhager@hdz-law.com.