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Lori & Gary

what's inside

page 2

The Secure Act:
The Good, The Bad,
The Ugly.

Page 3

Firm Events

page 4

Do You Need a Will?



Tell Us What You Think!

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best legal experience for
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Do You Carry Enough Insurance Coverage to Protect Yourself From Uninsured Drivers?

Texas requires it's motorist to carry insurance and many of them only carry the minimum policy required by law. That could leave you unprotected.

If your vehicle is damaged or you're injured by a driver without insurance, you're responsible for the cost of your car repairs and your medical bills. To protect yourself, make sure that you have the following insurance coverages:

Uninsured/Underinsured motorist property damage

This coverage ensures that your vehicle gets fixed under insurance limiting your out of pocket liability and getting you back on the road as quickly as possible.

Uninsured/Underinsured Motorist Bodily injury (UM/UIM)

This coverage is important. Medical expenses can add up quickly and often exceed the amount of coverage that the other driver may have, if any. It is best to get as much of this coverage as you can afford. Uninsured/Underinsured Motorist Bodily injury is meant to cover your medical expenses, lost wages, and pain and suffering in the event you are in a collision.

Personal Injury Protection (PIP)

This coverage is great to have in addition to your Uninsured/Underinsured Motorist Bodily injury coverage. It works similarly to Uninsured/Underinsured Motorist Bodily injury coverage but is typically paid to you by your insurance company while you're still treating.

If you've been involved in a car accident you need to speak with an experienced car accident

THE SECURE ACT: The Good, The Bad, The Ugly

by Lori Ashmore Peters

On January 1, 2020, a new law was enacted called the “SECURE ACT” also known as the “Setting Every Community Up for Retirement Enhancement Act”. This act includes changes to the federal tax code that may affect your qualified plan, also referred to as your retirement assets.

Not only does this Act affect you during your lifetime, but will also affect the way you distribute your retirement assets after your death.

THE GOOD NEWS

Under prior law most people were required to begin taking distributions from qualified plans or traditional (non-Roth) IRAs by April 1st of the year following the one in which they reached age 70 ½.

With the enactment of the SECURE ACT, the age is increased to 72 years. In addition, the act removed the age cap, which allows individuals over age 70 ½ years old to continue making contributions to a traditional IRA.

We strongly encourage you consult with your accountant or financial planner regarding these changes that will affect you during your lifetime.

THE BAD NEWS

How does this Act affect you after your death? Under prior law one used the advantage of the “stretch-out” when passing their retirement asset to a named beneficiary. This “stretch-out” allowed the income tax deferred growth of the retirement asset during the beneficiary’s life, with the income tax being paid on the distributions from the retirement account.

This approach also protected the retirement asset from your beneficiary’s creditors and predators. For example, this asset could not be reached by a lawsuit or divorcing spouse. It also protected the beneficiary who might not be able to handle receiving significant amounts of money at one time and was considered a very useful estate planning tool.

Now, with the enactment of the SECURE ACT, this “stretch-out” is no longer allowed for most people.

The BAD NEWS of the Act is the retirement account must be depleted and paid out to the beneficiary within TEN YEARS from date of death. Not only is the asset distributed within this timeframe, but that also means the taxes must be paid within this timeframe.

What does this mean to your beneficiary? In a nutshell, they will have to pay a large tax bill within a 10-year period and following that 10-year period, they will no longer enjoy the protections from creditors and predators, and possibly themselves.

However, there are always some exceptions to a rule. It is important to understand, even with these exceptions, if not properly understood, they could have a negative consequence to your estate plan, or even the beneficiary.

The exception to this rule is if the designated beneficiary is any of the following:

- **Surviving spouse.**
- **Minor children.**
- **Disabled or chronically ill beneficiary.**
- **Beneficiaries who are not more than 10 younger than the IRA owner.**

In addition to the above discussed provisions of this Act, there are many other items of the Act that could impact you. We recommend you speak with your accountant and financial planner to determine how this SECURE ACT impacts you during lifetime.

As an estate planning attorney, my primary focus is how this Act impacts your estate after death. Although this Act has been in effect for almost 3 months, estate planning attorneys are still learning more about how it impacts your estate plan.

The bottom line is, you need to speak with a qualified estate planning attorney to learn your options as it relates to your retirement assets and your estate planning goals.

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Family Law

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Stuck at Home

but have legal questions?



Our Attorneys & Paralegals are Available by:
Email, Phone & Videoconferencing.

Do You Need a Will?

Or, if you have experienced any of the following life changes, it may be time to update your Will:


 **If you Get Married**

 **If you Have Children**

 **If you Collect an Inheritance**

 **If a Loved One Passes Away**

 **If you Get Divorced**

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Let us help make your Will reflect your current wishes!

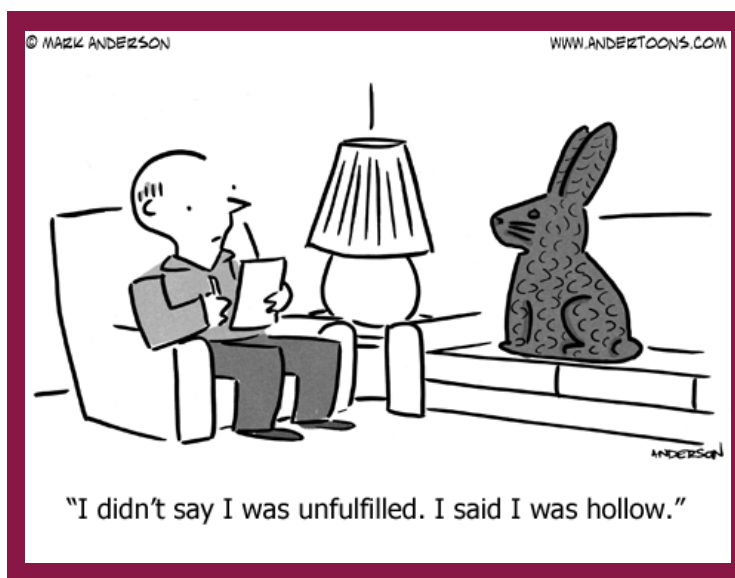


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