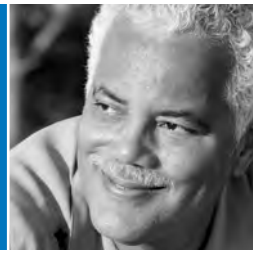


P L A N N I N G T I P S

for LGBT Individuals
and Couples

Our best intentions do not secure even our most passionate wishes. Too often unexpected injuries, illness, or even death can leave us suddenly unable to directly express our preferences for ourselves or those who matter to us most. Without advance preparation, much of what will happen next will be directed by default rules, customs, and practices that may interfere or even run counter to what we would have directed.

One clear example of this for LGBT individuals surrounds the area of marriage. While the legal landscape is rapidly changing, the federal government and most states do not recognize same-sex couples, regardless of status. Benefits such as Social Security survivor and spousal benefits, as well as certain estate and income tax advantages are not available to same-sex couples.

Beyond issues surrounding marriage, however, LGBT individuals need to consider many other important rights and directives that may be equally important to you. To guide you in thinking about this, these Planning Tips walk you through key areas that require attention, to assure that your heirs receive the legacy you intended, your wishes regarding health care decisions are honored, and that you and those you care about enjoy financial security and employee benefits while you are working or in retirement.

With the assistance of financial and legal professionals, you can map out a course for your future and for any of your heirs. These tips will serve as a reminder of some of the documents and planning tools you should consider as you think about estate, health care, and financial and retirement planning, as well as the optimization of your employee benefits.

Estate Planning

Making certain your wishes for your estate, your dependents, and your beneficiaries are clearly documented is important to assuring that your assets are distributed as you would like them to be and that those you care about are protected. Proper estate planning can also help minimize tax consequences to your beneficiaries.

- A Will can help domestic partners preserve assets and potentially minimize taxes. Should you die without a will (intestate), state intestacy law will determine the disposition of your assets.

Definitions

Will: A legal document detailing how an individual wants his or her assets distributed upon death.

Trust: A legal document used to manage property which is established by one person for the benefit of another and managed by a third person known as the trustee.

Contingent Beneficiary: A person or persons who are second-in-line to receive assets or insurance proceeds if the primary beneficiary dies.

Guardian: An individual appointed to care for a minor child or dependent adult.

Disposition of Remains and Funeral Arrangement Instructions: A document that specifies the written wishes of a deceased individual with respect to burial and funeral arrangements and method of disposition of his or her remains.

- A Trust can provide legal direction for the way you want things handled both during your lifetime and at your death. Your attorney can help you determine if a trust is an effective estate planning device for your situation.
- Make sure you have conversations with your family about Contingent Beneficiaries, should you and those identified in your will die at the same time.
- If the unexpected happens, have a Guardian appointed for your children so that they will be cared for by the person you most trust to assume this responsibility. A guardian and alternate guardian (should your first choice be unable to serve as guardian) can be specified in your will.
- Most states allow your legal relatives to make decisions related to your body when you die, including funeral arrangements. You can express your own preferences through a Disposition of Remains and Funeral Arrangement Instructions. Someone you trust should be aware of the location of this document.
- Do you anticipate receiving an inheritance? Discuss all financial implications with an experienced professional.

Definitions

Durable Power of Attorney for Health Care or Health Care Proxy: A legal document that allows individuals to appoint another person to make medical decisions for them if they are incapacitated and unable to make their wishes known.

Living Will: A legal document that allows a person to document his or her wishes about future medical decisions, should he or she not be able to do so at a later time when decisions need to be made.

Priority of Visitation: Allows an individual to name the people he or she wants to visit during hospitalization.

Health Care Planning

There may come a time when you are incapacitated and unable to communicate your wishes regarding health care and medical treatment. There are tools available that allow you to document your wishes and identify someone you trust to speak for you. Planning ahead is important. Often people put off this task until it is too late.

- In the event you become incapacitated, a Durable Power of Attorney for Health Care or Health Care Proxy can allow someone you know and trust to speak for you in making medical treatment decisions on your behalf.
- A Living Will can serve as a guide for your health care proxy, doctors, partner, and family about your wishes for medical treatment, including both the types of treatment and life-sustaining measures you would want, as well as those you would not want.
- In the event of hospitalization, a Priority of Visitation allows you to name the people you want to visit you.

Financial and Retirement Planning

Achieving and sustaining financial security both in your working years and retirement years is extremely important. Creating income for life and protecting yourself from certain life events that will put your financial security and your partner's at risk involves both planning and action steps, including those described below.

- While we would like to think we can live forever, we should plan for the financial needs of dependents through Life Insurance.

- Living longer has benefits and challenges, specifically the potential need for long-term care. This can have implications for domestic partners, so investigate paying for these expenses through Long-Term Care Insurance.
- Should you become disabled and unable to work, Disability Income Insurance can help replace a portion of your salary.
- Retirement may last longer than you anticipate. Investigate savings and life-time income vehicles, such as Individual Retirement Accounts (IRAs), Roth IRAs, and Annuities.
- Pay attention to ownership of homes, bank accounts, investment accounts (joint, individual, payable on death). You should also verify how assets are currently titled between partners.
- When you are able to manage your affairs, you can choose, through a Durable Power of Attorney for Finances, a person you trust as your “agent” to care for those finances should you be unable to do so yourself at some future time. If you are unable to manage your own financial affairs because you are incapacitated and have not chosen an “agent” the court may appoint a conservator or guardian to control your assets.

- Develop a strategy to achieve your, your partner’s, and your children’s educational goals. Investigate 529 Plans, and Coverdell Education Savings Accounts (ESAs).

Benefits

Employee benefits can be a key factor in the planning process. Understanding how your employee benefits work and how they may benefit your partner as well is important. The same would be true of his or her benefits as they may relate to you.

Definition

Beneficiary: An individual who is designated to receive an asset or a benefit from an insurance policy upon the death of another individual.

- If your employer has domestic partner benefits, evaluate all the plans available, such as Health Care, Life Insurance, Disability, and Long-Term Care Insurance.
- If you are entitled to an employer-provided pension, look to see if you can designate your partner as Beneficiary; if not consider life insurance.

Definitions

Life Insurance: An insurance that guarantees a designated beneficiary a specific sum of money upon the death of an insured person.

Long-Term Care Insurance: An insurance designed to provide benefits for services needed by individuals with a chronic illness or disability who requires ongoing assistance with daily activities such as bathing and dressing or supervision due to a cognitive impairment.

Disability Income Insurance: An insurance designed to replace a portion of an individual’s income should he or she become disabled and unable to work.

Individual Retirement Account (IRA): A tax-favored retirement savings account for individual workers.

Roth IRA: A type of IRA that does not offer an up-front tax deduction but allows contributions and qualified distributions of investment earnings to be received income tax-free.

Annuity: An insurance contract under which the company promises to provide an individual with regular payments at a later time in exchange for his or her purchase of the annuity with either a single payment or a series of payments.

Durable Power of Attorney for Finances: A legal document that allows individuals to appoint another person to act on their behalf to manage legal and/or business affairs even if they become mentally incapacitated at some future point in time.

529 Plan: A state-administered tax-advantaged investment vehicle to save for the future higher education expenses of a designated beneficiary.

Coverdell Education Savings Accounts (ESAs): An investment vehicle to save for a child’s education that in some ways resembles a Roth IRA, whereby a non-deductible contribution up to a certain limit can be put into a specified trust fund annually and grow free of Federal tax and later be distributed tax-free if certain conditions are met at the time of contribution and the time of distribution.

- If you participate in a defined contribution retirement plan at work, such as a 401(k) or 403(b), you can generally choose to designate your partner as your beneficiary.
- Investigate any domestic partner benefits in your state of residence.

These planning tips offer general advice, and are not a substitute for consultation with an appropriate professional. Please see a health care professional, attorney, or other appropriate professional, especially one with experience with LGBT issues, when determining how the information and recommendations discussed apply to your specific situation.

For More Information

Download the MetLife study, *Still Out, Still Aging*, for insights on lesbian, gay, bisexual, and transgender Baby Boomers at www.MatureMarketInstitute.com.



The MetLife Mature Market Institute®

Established in 1997, the Mature Market Institute (MMI) is MetLife's research organization and a recognized thought leader on the multi-dimensional and multi-generational issues of aging and longevity. MMI's groundbreaking research, gerontology expertise, national partnerships, and educational materials work to expand the knowledge and choices for those in, approaching, or caring for those in the mature market.

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SAGE

SAGE is the world's oldest and largest non-profit agency dedicated to serving lesbian, gay, bisexual, and transgender older adults. Since its inception, SAGE has pioneered programs and services for older people in the LGBT community, provided technical assistance and training to expand opportunities for LGBT elders across the country, and provided a national voice on LGBT issues. In 2005 SAGE became the first official LGBT delegate at a White House Conference on Aging. SAGE is the first LGBT member of the Leadership Council of Aging Organizations. In 2008, SAGE celebrated its 30th Anniversary with its 4th National Conference on LGBT Aging, sponsored by AARP. For more information, visit www.sageusa.org.



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