



FIRST SECURITY TRUST NEWS

A newsletter from the Trust Department of First Security Bank & Trust

WELCOME

to the inaugural issue of *Trust News* from the Trust Department of First Security Bank & Trust.

We plan to use this newsletter as a way to keep in communication with our clients and friends. In future issues we will provide you articles of general interest, investment strategies, and highlights about key products and services from the Trust Department.



Bill Frye

We will also tell you about real-life customers in north central Iowa who have benefited from our hands-on expertise in the areas of:

- Trust and Asset Management
- Estate Planning
- Insurance Strategies
- Investment Management
- Farm Management
- Retirement Planning

Your feedback is always important to us, so please call or stop in if we can be of assistance. Thank you for your business and we hope you enjoy *Trust News*.

William M. Frye
Vice President and Trust Officer

Please take our survey



The Trust Department of First Security Bank & Trust is conducting a study of our clients in order to improve service and better meet your financial needs. We ask that you participate in this study by completing our online survey, which should take less than five minutes of your valuable time.

To take the survey, please type this information in your web browser:

<https://www.surveymonkey.com/s/FTSB-Trust>

Since a name and address are not required, your answers are strictly confidential. Survey results are for bank use only and will not be shared with any other parties.

After you have completed the survey, you may register for a \$100 Visa gift card drawing. It's our way of saying "thanks" to our survey respondents.

Thank you for your assistance and we look forward to receiving your response.

TOP 10 ESTATE PLANNING MISTAKES

No matter your age or occupation, everyone seeks to organize their financial life. The key issues of estate and succession planning are some of the most important. The lack of proper planning can be costly if it results in additional taxes, investment losses, or expenses you or your heirs could have avoided.

There are a number of considerations to get your money matters in order—and keep them that way. Melissa O'Rourke, Extension Farm and Agribusiness Management Specialist from Iowa State University Extension and Outreach, notes these top 10 estate planning mistakes:

1. Procrastination: We'll get to it one of these days. The most common mistake is failure to take the steps necessary to put an estate and succession plan in place. Particularly in farm families, there is indecision about how to carry on the family farm. Almost any estate plan is better than no estate plan at all.

2. Failure to plan for incapacity. While we will all die eventually, consider that it may be necessary for someone to step into your shoes and make decisions during your lifetime. With proper planning, there are a variety of tools that can be used for what is sometimes referred to as "substitute decision making" such as guardian, conservator, representative payee or an attorney-in-fact under a power of attorney or personal representative.

3. Keeping secrets: A failure to communicate. Share the essential aspects of your estate plan with the entire family. This is one of the best ways to head off conflict and hard feelings among family members. If there are technical details, involve your trust officer or other professionals in the process to explain these matters.

4. Failure to be fair: Trying to treat everyone equally. Estate planning is frequently more about family relationships and dynamics than it is about asset transfer and tax planning. The issue of how to treat on-farm versus off-farm heirs can be a particularly prickly subject.

5. Failure to coordinate estate plans and property ownership strategies. While many people believe that their estate planning documents (wills and trusts) will ultimately control who gets what when you die, it is important to understand that many assets are transferred based on provisions that both contradict and supersede those contained in a will.

6. Doing nothing because "My wife and I are worth less than \$10 million". In the United States, many farmland owners have little or no estate plan in place. As the value of farmland continues to increase, the bottom line on a balance sheet goes up - and an estate plan problem could be on the horizon in the years ahead. At present, 950 acres of land at an average value of \$11,000 per acre approaches \$10.5 million - hovering dangerously close to a level that could trigger federal estate tax, especially when you include other farm assets.

7. Death is not cheap: Lack of liquidity. Farmers can be good at accumulating assets such as land, equipment, farm buildings, livestock and other investments. However, costs arise at death such as funeral and final medical expenses. Then there are costs to settle an estate and cash needed to continue farm or business operations prior to final estate settlement.

8. Failure to be organized and maintain good records. The lack of adequate records is the greatest heartache of the estate executor or POA. Maintain a recordkeeping system that can be found

and used by others at the time of your incapacity or death. Keep all records in a safe place yet still accessible to those who need them when you are gone.

9. Trying to scrimp and not using a team approach. With so much at stake, it's important to build relationships with a comprehensive team of professionals: legal, trust, tax, accounting, insurance, farm management, and others who may be vital to your estate planning goals. Proper estate planning is not an inexpensive proposition, but it is well worth the investment when the results you desire are achieved.

10. Not maintaining your estate plan. Once you have an updated estate plan in place, do not just put it on the shelf and forget about it. Estate planning documents such as wills, trusts and substitute decision-making (powers of attorney) designations should be reviewed on a regular basis. Certain life events should trigger an automatic review—births or adoptions, incapacitation or death, marriages, divorces or separations of anyone who may be impacted in your estate plan. Watch for changes in estate tax law. Circumstances and needs of both you and your heirs change and these should be discussed with your professional team.

The best way is to schedule an annual check-up to review your plans and circumstances. Doing so will ensure that your true wishes will be carried out.

We invite you to visit us regarding a review of your will. Call Bill Frye at **(641) 228-2343** and he will be happy to set aside some time to visit with you.

O'Rourke, Melissa.
<http://www.extension.iastate.edu/agdm/articles/orourke/Oroure Oct13.html>. March 5, 2015

RULES TO REMEMBER WHEN WRITING A WILL

- In most states, you must be 18 years of age or older.
- A will must be written in sound judgment and mental capacity to be valid.
- The document must clearly state that it is your will.
- An executor of your will, who ensures your estate is distributed according to your wishes, must be named.
- It is not necessary to notarize or record your will but these can safeguard against any claims that your will is invalid. To be valid, you must sign a will in the presence of at least two witnesses.

CHOOSE AN EXECUTOR

An executor is the person or trust department who is responsible for settling the estate after death. Duties of an executor include:

- Taking inventory of property and belongings
- Appraising and distributing assets
- Paying taxes
- Settling debts owed by the deceased

Most importantly, the executor is legally obligated to act in the interests of the deceased, following the wishes provided by the will. First Security Bank & Trust is qualified to act as executor of your estate. Call Bill Frye at **(641) 228-2343** for further details and guidance.

“ I'm concerned about financial protection for my family.

Bothered by two facts that he learned after recently watching what happened following the death of a close relative, John Baker is concerned about financial protection for his family.

While John is a fictional client, his story is not uncommon. His first concern is one of privacy. The terms of his will may well be open to public scrutiny, because every will must be made available to the public as part of the probate process. The second is that it is hard to predict how long it will take to probate an estate. If there are delays for his family in receiving their inheritances, how will it affect their day-to-day financial lives, he wonders? Frank was glad to know that, within the doors of First Security Bank & Trust, there is a powerful, time-tested tool that can help alleviate his concerns: the revocable living trust.

Usually, the terms of a revocable living trust remain completely confidential at the death of the trust's creator. What's more, the assets in the trust will not pass through probate, making it more likely that the transfer of his assets to his family will run smoothly and relatively swiftly.

If you have similar issues and concerns about the transfer of your assets, contact Bill Frye at **(641) 228-2343**.



TIPS TO PREVENT ELDER FINANCIAL ABUSE

The American Bankers Association (ABA) offers tips to help protect older Americans from financial abuse. According to a MetLife study, elders throughout the United States lose more than \$2.9 billion annually due to financial abuse.

Elderly Americans are increasingly becoming targets for financial exploitation. ABA suggests the following tips to help seniors safeguard their money:

- **Keep personal information private.** Never share your social security number, account information, or personal details over the phone or internet, unless you initiated contact with a trusted source.
- **Shred! Shred! Shred!** Shred receipts, bank statements and unused credit card offers before throwing them away so fraudsters can't piece together your personal information.
- **Don't let a so-called "advisor" pressure you.** Never let a new or untrusted "advisor" pressure you into sharing personal or financial details. They could be a fraudster. Carefully choose a trustworthy person to act as your agent in all estate-planning matters.
- **Check your credit report.** Customers should check their credit report at least once a year to ensure no new credit cards or accounts have been opened by criminals in your name.
- **Lock up your checkbook,** account statements and other sensitive information when others will be in your home.
- **Get to know your banker** and build a relationship with the people who handle your finances. They can look out for any suspicious activity related to your account.
- **Never pay a fee or taxes to collect sweepstakes or lottery "winnings."**
- **Check references and credentials before hiring anyone.** Don't allow workers to have access to information about your finances.
- **Pay with checks and credit cards** instead of cash to keep a paper trail.
- **Trust your instincts.** Exploiters and abusers often are very skilled. They can be charming and forceful in their effort to convince you to give up control of your finances. Don't be fooled—if something doesn't feel right, it may not be right. If it sounds too good to be true, it probably is.

HAVE YOU MET?



Bill Frye joined First Security Bank as Vice President and Trust Officer in 2008 after practicing law for 30 years. Bill graduated from Colorado College with a BA in Business Administration and received his law degree from University of Iowa Law School.

Active in the Charles City community, Bill is a member of the Rotary Club, Excellence in Education Foundation and Fossil and Prairie Foundation. He is also a member of First Congregational Church where he serves on the Board of Trustees.

Bill is involved in the Iowa Trust Association and serves on the Executive Committee of that organization.

Married for 37 years, Bill and his wife Carol have two grown daughters, Julia and Abigail.

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Heather Meyer is Assistant Vice President and Trust Officer. She has been with First Security Bank & Trust for over 32 years. Heather is a graduate of Charles City High School. She participated in the Business Co-Op Program and worked at the bank in the afternoons of her senior year.

Heather is an Accredited Trust Operations Professional and is a member of Iowa Trust Association Operations Peer Group.

A member of Immaculate Conception Church, Heather is the mother of two children, Cody and Cassidy.

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David Jarvill is a Vice President and Investment Officer. He has been with First Security Bank & Trust for 22 years. David is a graduate of the University of Iowa, The College of Financial Planning, The Canon Financial Institute's Trust Investment School and The Graduate School of Banking at the University of Wisconsin, Madison.

David is a Certified Financial Planner® and is active in his community in many organizations. Married for 27 years, David and his wife Katie have three grown children, Keely, Sam and Will.

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