

A background image of a rainbow flag, with the colors red, orange, yellow, green, blue, and purple. The flag is draped and folded, creating a textured, layered effect. The colors are vibrant and saturated. The flag is the central focus of the image, with the text overlaid on it.

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**TIPS FOR
FINANCIAL
PLANNERS TO
ATTRACT &
SERVE LGBTQ
CLIENTS**

**Understanding Past & Present LGBTQ
Unique Concerns to Improve Their
Financial & Estate Planning**

DebraLMorrison.com

TIPS TO UNDERSTAND PAST & PRESENT LGBTQ UNIQUE CONCERNS TO IMPROVE THEIR FINANCIAL & ESTATE PLANNING

I've been asked, "what is it that LGBTQ people really want?" Of course, the question itself connotes a degree of ignorance regarding basic human rights. Human rights aren't something that folks should have to have on their 'wish list'; it should be a function of being born. (Don't get me started on those fighting-to-the-death for the rights of the unborn, whilst so many of us already born are denied human rights....yet I digress.)

LGBTQers want to be considered as full human beings, with rights to:

- Work/Jobs as we're qualified,
- Promotions and advancement according to our talents,
- Live where we wish to live,
- Suitable health care for us, our partners and/or families, if applicable,
- Date and show public signs of affection with whomever we love,
- Adopt a child or children, etc.

As a lesbian woman I have witnessed many legislative changes in my adult life, each of which has cost me a great deal of stress. That stress is well-founded since, prior to 2015, nearly every law change negatively impacted gays & lesbians:

- as individuals, and
- as taxpayers.

And we are well aware that our civil rights, marital rights, adoption rights, etc. can just as easily be revoked by, typically the Republican Party or the Supreme Court. So there is a built-in caution, which has our heads on a swivel from time to time, wondering if we can COUNT ON, what we have. That suspicion carries over into a LOT of ancillary areas—personal security and financial security; I'll speak of them now, and offer tips for you, as their CFP®, to address, in that order.

PERSONAL

The matter of how LGBTQers have been treated as people is certainly not to be underrated, inasmuch as far too many have been abused, bullied, murdered and otherwise disenfranchised in families, schools, and society at large. As a Trusted Advisor CFP® you may find these tips helpful to employ, in order to better serve your LGBTQ clients, who will undoubtedly be impressed, remain sticky clients and refer you to their friends.

- 1) **EXECUTE A MEDICAL POWER OF ATTORNEY** spelling out in excruciating detail the type(s) of care they want for themselves while they are alive, and ultimately naming a person and a successor person to serve as their Power of Attorney therein. Give them examples of the specifics, so these documents are crystal clear; i.e., DNR election, no medicine, no food or water, water but no food, etc. and then share this document with their physician, their POA, of course, and perhaps other family members, if amicable. Remind them to discuss with their POA whether that POA will be able to pull their plug, if that time comes, and if not, name a different POA.

Nothing is more poignant a memory than the historic and horrific Sharon Kowalski case in which Sharon was involved in a tragically serious car accident rendering her completely disabled: https://en.wikipedia.org/wiki/In_re_Guardianship_of_Kowalski

Her family of birth exercised their legal right as 'next-of-kin' in the absence of any legal documentation otherwise naming Sharon's 4-year partner, Karen Thompson, Sharon's Medical Power of Attorney. Sharon's family was quite religious/fundamentalist, and disapproving of a homosexual relationship, and thus prevented her life partner, Karen Thompson, from being admitted into the hospital to see her. Sharon

repeatedly asked her family where Karen was, and was told various answers from “I guess she doesn’t care” to worse.

Not only did Sharon’s birth family prevent Karen from seeing Sharon, or supervising effective treatment, her birth family basically ignored Sharon and loosely organized her treatment such that her recovery was aborted with irreparable lifelong ramifications, because too much time had passed from the date of the injuries until her father, Donald, cared to authorize any rehab treatments thereon.

I can’t imagine that type of stress if I was healthy; I can only imagine how devastating Sharon’s life was, trapped in the hospital, not seeing Karen, despite Karen’s valiant efforts to the contrary. After years of legal battles and the expenditure of GROUPS of zeros, Karen won the right to see Sharon and effect care-giving instructions.

- 2) **MENTAL COSTS OF BEING OUTSIDE THE SYSTEM/SOCIETAL NORM** can contribute to LGBTQers loss of health, so recommend that folks and their partners or spouses (if they’re so lucky to be partnered) continue to receive regular medical check-ups. Distress that is inherent with being outside the societal norm is not to be underrated or ignored.
- 3) **BECAUSE OF THE RISK & UNCERTAINTY OF TIME, ADVISE YOUR LGBTQ CLIENTS TO COMPLETE THESE TASKS:**
 - a. Write down—preferably with the professional help of an estate planning attorney—their specific wishes for end-of-life care, as well as the final distribution of their ‘assets’, **stated in a will or a trust, or both, if necessary/applicable**, in which they designate a Legal Guardian for either minor or disabled children, or parents otherwise in their care. Nothing was more painful than my sitting in the Newark, New Jersey courtroom as a witness, to fight on behalf of the surviving widow of the 9/11 tragedy’s decedent to win custody of their minor child! (After your death is NO time for your child or parent to wonder where they will live, or who will care for them.)
 - b. **Name a suitable Executor** who will effect the instructions of their will. It is not necessary for the Executor to understand how to execute a will; they can partner with an attorney for that. It is MOST important that the Executor understands the decedent’s wishes as written, and dutifully carries them out. (Regardless of the emotional stress, I often **recommend that one’s life-partner be named as their Executor, for control reasons**, and ALSO because **it sends a very strong signal to anyone who may have been tempted to challenge the will**; i.e., the decedent having named their spouse as Executor while they were legally of sound mind, may go a long way towards thwarting dissenting, disgruntled or otherwise homophobic family members.)
 - c. Advise your LGBTQ clients to create an **Ethical Will**. (You may wish to reference Everplans’ site; they have a list of great items to include.) This can be a written document or a spoken audio, or a video, in which your client shares any number of particular aspects of themselves with their loved ones. Most folks start with their VALUES—stating what they wish their survivors to remember about them, as well as specific laudatory aspects of their relationship.
 - d. Personal life lessons and/or funny stories are so extra special for LGBTQers’ loved ones to read and cherish in an Ethical Will. Humor most always reigns supreme in the LGBTQ community. Stories are always so soothing, and healing as people grieve. And hearing the deceased’s voice, telling the stories is priceless!
 - e. If they make a ‘mistake’ or flub up a word, just make a joke about it, NO NEED to have this perfect; it’ll actually be most representative if it’s not! If they can’t do this alone, you may offer

to be their mic holder, or camera holder, to strengthen your personal and professional bond, as well as ensuring it gets done.

- f. Your clients may choose to write out separate docs or shoot separate videos singling out individuals and say something particular to each of them. (Some parents say, “you were my favorite” with a wink at the end of a vid....and invariably all the sibs share that the deceased said THEY were the favorite....and a lot of laughter ensues.)

As a Certified Grief Coach I can attest to the process of grief recovery being laden with a swirl of emotions and the sheer overwhelm of a mountain of decisions to be made. If a survivor is lucky enough, or has planned adequately, such that they receive life insurance proceeds or a steady stream of income, this lifts the sheer panic and brain freeze of having to make rapid decisions solely on the basis of what one can afford now.

- 4) **ENSURE THAT YOUR CLIENTS HAVE PURCHASED (OR ARE COVERED THROUGH THEIR EMPLOYER GROUP POLICIES) SUFFICIENT LIFE INSURANCE** to buy their survivors, on average, at least 3-4 years, plus pay off any mortgages, and possibly provide an extra lump sum education fund, if they have children. I’m wont to say, and I said it for the 19 years I sold Life Insurance, Life Insurance buys time—either a little, or a lot.

And underwriting is relaxed now during the Covid pandemic, so there’s no better time to apply for life insurance than now. Absent financial pressures, survivors can focus what attention they can muster at any one time, to make decisions shaping the next chapter of their lives. Note the financial incentives to apply for (to avoid the lookback), and own said policies through an ILIT, especially if Estate Tax thresholds decrease.

Currently there are a **paucity of Grief Support groups specifically for LGBTQ folks**. Granted, a group I am intimately involved with, Soaring Spirits Int’l does the best job of including LGBTQ survivors in their memberships/events, etc. You may wish to acquaint yourself with Soaring Spirits’ panoply of services AHEAD of the call that your client has died. They can be reached at <https://soaringspirits.org/>

- 5) **ESPECIALLY IF YOUR LGBTQ CLIENT IS CLOSETED**, naming their partner, or any friend(s), or charity on Annuities, 401(k), 403(b), IRA or Qualified Retirement Plan is a super method to pass monies outside their Will, since one’s Will is generally public record. Again, Annuity & Qualified Plan death proceeds pass by beneficiary designation, and are NOT governed by a Will, OR the laws of intestacy.

Check with an Estate Planning Attorney as to whether language that would otherwise disinherit any named relative from their inheritance if they contested the will, is still viable.

Recommend that every family member is named in your clients’ will, for even an inheritance of \$1. so no one can claim afterwards that your client may have ‘forgotten’ their sibling, or parent, for example.

Advise your LGBTQ client to record a video stating their orientation, their choice of their partner, and their request that ALL family members honor their partner and their significant relationship/marriage. (Especially if your LGBTQ client had been closeted, invite them to say, “I was closeted to protect you and/or our family at a terrific cost to me and my partner, such that I now wish NO rancor towards my spouse, so that they can grieve in peace.”)

- a. In so doing they **bear witness of themselves and their relationship to their families** after they are no longer able to speak with them, as this MAY be the first such message that their families may receive that their partnership was valid & intentionally chosen.

Even IF the family knows the extent of the LGBTQ relationship, there's nothing like serious illness or death to bring out the worst biases, along with the ensuing horrific behaviors from family members. Horror stories include the surviving LGBTQ partner being evicted from their home, stripped of all personal belongings and/or disinherited financially and personally. This buttresses the importance of written documents.

- 6) **DYING INTESTATE IF NOT MARRIED** is 'deadly' for the surviving LGBTQ partner, so insist your clients draw up a Will or a Living Trust—the latter's assets pass outside of probate. Check your state laws as to the distribution order and percentages if someone dies intestate; i.e., without a Will. If LGBTQers are not legally married, their partner will be out of luck, as the state-mandated distribution falls along blood lines.

Not only is this a financial blow out, it is ALSO a most heavy emotional burden; leaving their partner/spouse wondering, "why didn't you protect me?" which only compounds their grief. This is a zero-sum situation.

Even if blood family take pity on the dis-inherited spouse, they can only gift them the paltry annual gift exclusion without endangering their own Unified Credit.

FINANCIAL

Serving as a CERTIFIED FINANCIAL PLANNER™ for over 40 years, I understand and am appalled that despite LGBTQ people paying our fair share of taxes (and some of us, far more than our share, if we don't have kids that matriculate in the elementary and secondary school systems on which we are otherwise taxed as homeowners) we have NOT enjoyed 'fair' representation. For example, I own 4 homes, and pay community/town/city taxes on all four locations, without ever having sent a kid through one school system, or one extra curricular event, or one sports program.

Additionally, until marriage for LGBTQ people was legalized in 2015, all of our 'unused' Social Security was surrendered back to the SS coffers at our deaths, unlike heterosexual couples whose surviving partner(s) and or minor or disabled children, received a percentage share of the decedent's Social Security payments for the rest of their lives!

One might reasonably question the massive drain on Social Security assets of providing lifetime monthly income to ANY and ALL divorced spouses of a single taxpayer, so long as their marriage lasted a minimum of 10 yrs. Think of it; a heterosexual male could, and many have married 2 or 3 consecutive wives--each marriage lasting 10 years minimum--and then each of those ex-wives, ALONG WITH his current wife, would collect a portion of his Social Security retirement benefits, on top of HIS receipt of said Retirement Benefits.

LGBTQers finally gained the right to marry on June 26, 2015 with the Supreme Court's ruling on the Obergefell v Hodges case; hence haven't had the privilege to marry for long enough to be married to more than 1 spouse for much more than the requisite minimum of 10 yrs, so we/our ex-spouses will never catch up on receiving semi-equal Social Security Retirement payouts.

- 7) **VERIFY EACH YEAR WHICH TAX FILING STATUS TO DECLARE-** Before Same-Sex Marriage was enacted, LGBTQ taxpayers—even COUPLED LGBTQ folks--were forced into filing as Single Taxpayer, which carried **far HIGHER** effective tax rates on earned and unearned income, unlike heterosexual couples who could elect Married Filing Jointly, Married Filing Separately, and/or Head of Household—each of which levied **far LOWER** effective income tax rates. And there are FAR more examples of historic legislatively-dictated tax & financial inequities for LGBTQers.

Remind your married LGBTQ clients they are wise to run their taxes both filing MFJ & MFS, before making their final election, to see which results in the least amount of taxes owed. For those Single Taxpayers with a kid or children, remind them to consider filing Head of Household, versus Single, as Head of Household tax rates are more favorable than those of Single.

BONUS #1: OBTAIN NEW BENEFICIARY CHANGE FORMS, COMPLETE & MAIL IN. It is imperative to obtain new change of beneficiary forms for EACH of your clients' Retirement and Annuity accounts—401(k), 403(b), IRA, Roth IRA, Simple IRA, SEP, etc.—and complete each of these accounts' forms by naming their primary beneficiary AND secondary (or contingent) beneficiaries.

It is VERY important to name alternate, or secondary beneficiaries (preferably a younger generation, if applicable) as that opens the door for the primary beneficiary to disclaim assets to a younger generation, and/or utilize a Stretch IRA provision, so long as those beneficiaries are BOTH listed on the beneficiary form AND identified as Eligible Designated Beneficiaries, after the SECURE Act, passed in December, 2019.

Please do spend the extra cash to mail the Change of Beneficiary form via Certified, Return-Receipt mail, and retain a copy of same in your files, as it has been known to happen that the insurance company 'never received' your form!

BONUS #2-DEFINED BENEFIT PENSION PAYOUT CHOICES? Take an Inventory of Estate Assets—please find a Sample Questionnaire for your use—and run a Monte Carlo simulation to determine what each partner, or what the single LGBTQer will need for retirement income, and which payout choice would stand the largest probability of solving for the maximize total average payout. Remember, these choices are irrevocable; use caution taking into consideration other streams of income or lack thereon.

In conclusion, regardless of your LGBTQ client's wishes regarding what will happen with their assets, their partner, their children, or their business, if applicable, it is imperative that they **clearly** spell these out **in writing!**

So, God speed to each of you, and stay tuned for more ways in which you can help LGBTQ folks protect themselves, in a world otherwise rife with an extra measure of uncertainty.



Debra L. Morrison, CFP®, MS, AEP is an International Transformational Speaker, Bestselling Author, Certified Grief Coach & TEDx speaker. Her unique combination of skills, knowledge and wisdom has helped thousands of clients and audience members face and conquer their fears and learn how to attain financial security. Debra's special personal attributes, coupled with over four decades of experience, gave her such credibility that she has been featured on CNN, ABC, Fox News, MSG's Metro Money and CNNfn, as well as being quoted in The Wall Street Journal, USA Today, and many more publications, receiving numerous accolades from different organizations.

Ever eager to gain more knowledge and expertise, Debra obtained her Masters in Retirement Planning from The College for Financial Planning and obtained her Grief Coach Certification with the Grief Coach Academy. She uses very specific, strategic tools to further buttress her array of skills in planning with LGBTQ folks (of which she is one), coaching those approaching retirement and/or those who have suffered loss, including ten 9/11 survivors. Armed with decades of experience working with widows & widowers and their money, Debra

Morrison has authored 3 books, her latest being, 'My Husband Died Now What? A Widow's Guide to Grief Recovery & Smart Financial Decisions'. Look for the upcoming sequel, 'My Partner Died, Now What?' to serve LGBTQ survivors.

Debra is a sought-after speaker who, with generous helpings of humor, motivates audiences to feel empowered about their finances, regardless of their life circumstances.

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