GREAT PLAINS Trust

IN THIS ISSUE

The Value of Financial Planning at Every Stage of Life

Financial planning is not a one-time task but an ongoing process that evolves alongside your financial situation and goals. Whether you're focused on building wealth, protecting what you've accumulated, or planning your legacy, a well-structured financial plan helps maximize resources and maintain financial security. Each stage of life requires a different approach, and understanding these phases can keep you on track.

The Asset Accumulation Phase

From the early working years until around age 50, this phase lays the foundation for lifelong financial success. It is typically marked by a low net worth, high risk tolerance, and the dual focus of paying off debt while beginning to save. Although saving substantially in the early years can be challenging, having a financial plan that sets clear targets and expectations can shape long-term success.

A comprehensive plan helps uncover often-overlooked strategies, such as optimizing debt repayment and maximizing retirement savings. Whether through employer-sponsored retirement plans, IRAs, or individual investments, a financial plan provides clarity on how much to save and where to allocate funds. Efficient debt management is equally critical—handling student loans, mortgages, and consumer debt wisely ensures that interest payments don't erode wealth-building efforts. By maintaining financial discipline during this phase, you establish a strong foundation for future security.

Continued on pg. 2

Value of Financial Planning... (continued)

The Conservation Phase

As you enter your peak earning years—typically in your 50's through retirement—the focus shifts from aggressive accumulation to preserving and protecting wealth. Risk management becomes paramount, ensuring you have adequate insurance coverage—life, health, and disability—to safeguard your assets from unforeseen circumstances.

Retirement preparation also intensifies. With retirement on the horizon, a financial plan provides a roadmap to ensure you are financially prepared. Identifying potential savings gaps and adjusting contributions accordingly can make a significant difference. Estate planning also becomes more critical during this phase. If you haven't already, now is the time to establish or update wills, trusts, and power of attorney documents to ensure your assets are protected and distributed according to your wishes.

With proper planning, you can transition smoothly into retirement while maintaining financial stability.

The Legacy Phase

In retirement and later years, financial priorities shift to sustaining income and efficiently transferring wealth. Managing withdrawals from retirement accounts requires a strategic approach to ensure assets last while maintaining a comfortable lifestyle. Thoughtful planning helps extend the longevity of your savings, balancing spending needs with market fluctuations and tax considerations.

Estate and legacy planning take center stage in this phase. Whether through gifting, charitable donations, or trusts, structuring wealth transfers wisely can minimize estate taxes and ensure assets pass efficiently to heirs. Healthcare planning also becomes increasingly important. Long-term care costs can be significant, making it essential to have strategies in place to cover medical expenses without depleting other assets. See the following article titled, **"Have you Underestimated Long-Term Care Costs in Your Retirement Planning?"** for a deeper analysis on the current state of long-term care and its modern costs.

Final Thoughts

A strong financial plan adapts to each stage of life, ensuring you remain in control of your wealth and financial future. By making informed decisions at every step—whether saving and investing early, protecting assets in mid-life, or planning for wealth distribution—you create a roadmap for lasting financial security. At Great Plains Trust, we have advisors equipped with the knowledge and tools to help you navigate these transitions smoothly, optimizing opportunities and mitigating risks along the way.

Market Commentary

Over the last few months, markets have experienced increased volatility as the new administration begins to implement its economic agenda. With headlines dominated by tariffs, inflation, and geopolitical tensions, it's only natural that many investors feel uneasy. In times like these, it's essential to step back and assess the broader economic landscape with a long-term perspective.

One way to measure market anxiety is through the CBOE Volatility Index (VIX), often referred to as the market's "fear gauge." While the VIX peaked at 27.86 in the first quarter of 2025, indicating a rise in short-term uncertainty, it remains well below levels seen during past crises. For context, the VIX hit 80.86 during the 2008 financial crisis and 82.69 during the onset of the COVID-19 pandemic in 2020.

Though negative headlines have accompanied recent market dips - the S&P 500 is down roughly 1.70% year-to-date - it's important to maintain perspective. The index has still delivered gains of approximately 1.00% over the past six months, 10.75% over the past year, and 127% over the past five years. This long-term growth underscores the value of staying invested through periods of short-term volatility.

On the economic front, there are signs of continued resilience. Year-over-year inflation has eased to 2.8%, down significantly from its peak of 9.1% in June 2022. The unemployment rate stood at 4.1% in February, comfortably below the 20-year average of 5.8%, and GDP growth remains positive.

Looking ahead, uncertainty around global trade and geopolitical dynamics may continue to stir market fluctuations. However, history has shown that markets are resilient, and making reactionary investment decisions can often do more harm than good. While 2025 may bring continued challenges, maintaining a long-term investment strategy remains the most effective path toward achieving financial goals.

IRA Reminders...

IRA and Roth IRA contributions for 2024 need to be postmarked by 4/15/25. The year for the IRA contribution should always be noted on the check.

IRS Form 5498 reporting 2024 contributions will be mailed out in May of 2025.

2025 IRA and Roth IRA contribution limits have stayed the same at $7,000 ($8,000 if over age 50 by 12/31/2025.)

Have you Underestimated Long-Term Care Costs in Your Retirement Planning?

Although it is estimated that someone in America turning 65 today has almost a 70% chance of needing some type of long-term health care services, the reality is that many families are failing to plan sufficiently to cover such costs. A 2024 study conducted by Jackson National Life Insurance Company and the Center for Retirement Research at Boston College showed only 27% of those surveyed believe they will require long-term care and that 2/3 of pre-retired individuals are underestimating their retirement health care expenses.

Are you prepared? The average use of long-term care services is three years with the national annual median cost of a semi-private room in a skilled nursing center equaling $111,325 and the annual national median cost of an assisted living community equaling $70,800 (Genworth Cost of Care Survey 2024). In-home care services averaged $34/hour in 2024. Costs of care vary by geographic region. Long-term care costs often start with services such as home visits and then transition to additional services up to full-time care.

There are essentially 4 options to pay for long-term care costs: 1) traditional long-term care insurance 2) government assistance, 3) hybrid life insurance or annuity benefits with long-term care coverage and 4) personal savings. Although this is a common misconception, Medicare does not pay for nursing home (skilled nursing facility) costs or home health aides. Medicare only covers short-term skilled nursing care -for example, a rehab stay in a skilled nursing facility after surgery for less than 100 days.

Long-term care insurance policies provide coverage for in-home care, assisted living communities, skilled nursing facilities and memory care. However, unless the policy was purchased years ago, traditional long-term care insurance may be cost prohibitive for many people. Few insurers even offer traditional long-term care insurance policies. In addition, the older you are, the more expensive the insurance premiums will be, or you may develop a health issue that prevents you from being approved. The general rule of thumb is you should purchase such a policy by the time you are 50 years old.

Hybrid life insurance policies provide that you can draw down on the death benefit to pay for long-term care, and most will continue to provide coverage even if the entire death benefit is used. The downside is obviously that there is then a reduced or maybe even no death benefit for the family. Long-term care annuities provide long-term care insurance at a multiple of the initial investment amount, but today's interest rates have made it challenging for the annuity companies to offer this coverage, and these annuities may be hard to find.

Government assistance can be an option for some families, but there are extremely low asset limits that must be met in order to qualify for Medicaid's skilled nursing facility coverage. Certain types of planning tools are available to help you protect assets and still qualify for government assistance, but planning generally needs to be done at least 5 years in advance of needing long-term care. Veterans may also qualify for long-term care services through the Department of Veteran Affairs.

Personal savings will provide the most flexibility for care options, but you should make sure that your retirement plan has built in these potential expenses. You should work with your financial planner to estimate expected future health care expenses. Be sure to involve family members to discuss whether they are willing or able to assist with some of the caregiving responsibilities.

Long-term care is a subject many people do not like to discuss, but it is essential to include this component in your retirement planning.

Great Plains Trust is excited to announce that Davis Finke, CFA, has joined our team as a Wealth Advisor. With a strong background in financial analysis and investment management, Davis will help clients navigate financial planning and build tailored wealth strategies.

Before joining Great Plains Trust, Davis worked as a commercial credit analyst in Fayetteville, Arkansas, where he developed a deep expertise in evaluating complex financial data. A graduate of the University of Arkansas, he also holds the prestigious Chartered Financial Analyst (CFA) designation, highlighting his commitment to excellence in investment analysis and portfolio management.

Originally from Kansas City, Davis enjoys spending time outdoors and cheering on Arkansas sports teams.

Please join us in welcoming Davis to the Great Plains Trust team!

Funding Your Revocable Trust

Revocable trusts are one of the most popular estate planning tools, as they offer grantors a private, flexible method to transfer assets to their beneficiaries and avoid probate. However, it is not the type of document that is complete when it is signed and dated. Once the revocable trust is executed, grantors must also take the steps to retitle their personal assets to the trust. This process is called funding the trust. Funding the trust does not affect the grantor's use of the asset, but changes ownership from the grantor to the trust. This step is crucial, as a trust only holds assets that are titled in its name. Failing to title assets to a revocable trust could result in personal assets being admitted to a lengthy probate process, which would defeat the purpose of the revocable trust. Thus, it is imperative to title assets to the trust and take advantage of all the benefits a revocable trust provides.

The type of asset determines which approach is needed for titling, because not all assets should be titled to a trust. Some assets should not be titled to a trust to avoid unsavory tax consequences, while other assets can name the trust as a beneficiary. Below lists suggestions on how to title assets based on type. Be sure to ask your estate planning attorney for funding instructions and check whether they can assist you in completing assignments, titles, and beneficiary forms.

Non-qualified accounts/investments (e.g. brokerage, checking, money market, etc.)- The owner of the account could retitle the account in the name of trust. Or as an alternative, the owner of the account could remain the same, however, a Payable on Death (POD) or Transfer on Death (TOD) Designation should be added naming the trust.

Qualified retirement type accounts (e.g. IRA, 401(k), etc.)- Ownership should remain in the individual's name. Be careful with beneficiary designations on these accounts. We often recommend naming the spouse as the primary beneficiary, followed by individually named contingent beneficiaries due to the distribution rules laid out in SECURE Acts 1 & 2. However, we highly encourage you to discuss this with your estate planning attorney to determine the best course of action.

Life insurance, or other non-qualified type annuities- Ownership should remain in the individual's name. The beneficiary designation should be updated to the trust.

Real property- Consideration of ownership and tax issues based on the nature of the current title is required. A transfer of ownership requires new deeds for each property filed with the proper jurisdiction.

Business interests- The estate planning attorney can draft a written assignment of interest, so long as there are no restrictions related to the entity's formation agreement (i.e. general or limited partnership). Corporate or professional interests should be discussed with the entity's corporate counsel and the estate planning attorney.

Oil, gas, and mineral rights- Transferring to the trust depends on whether the interests are owned or leased. If you own the interests, a deed should be recorded to the trust. If you lease the interests, a written assignment of rights to the trust should be prepared.

Automobiles- We encourage leaving ownership in the individual's name and adding a TOD naming an individual. Your local DMV may charge a small fee to add a TOD to your current title. We have found that in the event of auto accidents, third parties are more likely to seek legal action if they know about trust assets.

Tangible personal property- The estate planning attorney can draft an assignment to the trust.

Our Mission

To be a premier provider of wealth management and trust services to families across generations. We shall deliver responsive, reliable, and informed service combined with a commitment to achieving the stated goals of our clients and their families. We shall, at all times, deal honestly and respectfully with all clients and associates.

GREAT PLAINS
Trust

Contact Us

Phone:	(913) 831-7999
Email:	info@greatplainstrust.com
Web:	www.greatplainstrust.com

Our Location

7700 Shawnee Mission Parkway, Ste 101
Overland, Park KS 66202

South Dakota (605) 271-5141