

EYE ON MONEY

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2016

A GUIDE TO PLANNING YOUR ESTATE

HOW TO HELP PROTECT
YOUR LOVED ONES'
FINANCIAL FUTURE

plus

FINANCIAL TIPS FOR
ENGAGED COUPLES
AND NEWLYWEDS

WHY CONSIDER
A 529 COLLEGE
SAVINGS PLAN

KEY SOCIAL SECURITY
CLAIMING STRATEGIES
ELIMINATED FOR
MOST PEOPLE



APRIL 18



FOUR THINGS TO DO BY APRIL 18TH

You get a few extra days to file your 2015 federal income tax return this year—how many extra days depends on where you live. Most of us will have until April 18, 2016 to file our tax returns, thanks to a holiday (Emancipation Day) in the District of Columbia that falls on April 15th this year. As it turns out, though, the residents of Maine and Massachusetts have their own holiday (Patriot's Day) on April 18th this year, so residents of those two states will have until April 19, 2016 to file their 2015 federal tax returns.

The tax-filing due date is also the last day that eligible individuals can contribute to certain tax-favored accounts and have those contributions count for the prior year. So April 18, 2016 (April 19, 2016 if you live in Maine or Massachusetts) is the last day you can...

- 1 File your 2015 federal tax return or request an extension.**
- 2 Contribute to an individual retirement account (IRA) for 2015.**
- 3 Contribute to a Health Savings Account (HSA) for 2015.**
- 4 Contribute to a Coverdell Education Savings Account for 2015.**

Please consult your tax and financial advisors for advice.

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Key Social Security Claiming Strategies Eliminated for Most People

However, if you are the right age, there may still be time to implement them before the window of opportunity closes for good.

MARRIED COUPLES WHO PLANNED TO

use the file-and-suspend strategy or the file-a-restricted-application strategy to boost their Social Security benefits may need to reconsider their plans. Changes to the Social Security rules made by the Bipartisan Budget Act of 2015 put an end to these strategies for most people, although some people may still be able to use them if they act soon.

File and Suspend

The file-and-suspend strategy makes it possible for married couples of retirement age to collect some Social Security benefits now and larger benefits later on.

Here's how it typically works. At full retirement age, you file for your own benefits, which opens the door for your spouse to file for spousal benefits based on your record. You then immediately suspend your benefits so that the monthly benefit amount can continue to increase until you reach age 70. If your spouse has also reached full retirement age, he or she can file a restricted application for just spousal benefits, leaving his or her own benefit to increase until age 70. At age 70, when the monthly benefit amounts have increased as much as possible, you begin receiving your benefits and your spouse switches to his or her own benefits.

That's how the strategy works under the old rules. The Bipartisan Budget Act puts new rules in place that prevent spouses and dependents from collecting benefits based on someone else's suspended benefit, which effectively puts an end to this strategy. However, the new rules do not go into effect until at least 180 days after the law was signed, which occurred on November 2, 2015. So you have until approximately April 30, 2016 to implement a file-and-suspend strategy, provided you have reached full retirement age (age 66).

The new rules will not affect people who have already implemented a file-and-suspend strategy. They will continue to receive the benefits they planned on.

File a Restricted Application

The file-a-restricted-application strategy may make it possible for a retirement-age spouse to collect spousal benefits now while their own benefit continues to grow.

Here's how it typically works. If you have reached full retirement age and are eligible for spousal benefits and your own benefits, you can generally file a restricted application for just spousal benefits. This tactic allows you to receive spousal benefits for a few years while delayed retirement credits pump up the amount of your own monthly benefit, which you can switch to at age 70.

Due to new rules created by the Bipartisan Budget Act, this strategy can now only be used by people who reached age 62 prior to 2016. If you are any younger than that, you will generally not be allowed to file a restricted application for just spousal benefits when the time comes for you to apply for Social Security benefits. If you are eligible for spousal benefits and your own benefits, you will automatically receive the higher of those two amounts.

But if you were age 62 or older on January 1, 2016, you still have the option to file a restricted application for just spousal benefits when you reach full retirement age so that your own benefit can continue to increase until age 70, provided your spouse is already receiving benefits or was able to file for benefits and then suspend them before approximately April 30, 2016.

The changes to the Social Security rules were made to prevent individuals from receiving larger benefits than Congress intended. However, Congress did not change the rules regarding delayed retirement credits so you still have the option to increase the size of your monthly benefit by delaying the start of your benefits. For every year you delay, between full retirement age and age 70, the amount of your monthly benefit will increase by 8%.

Please consult your financial advisor about planning for retirement. ■



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Decoding Stock Data

Making informed decisions about stocks begins with an understanding of the data presented in stock quotes. Here are some types of data typically found in stock quotes and an explanation of what they generally signify.

MARKET CAP The market cap, or market capitalization, indicates the company's total market value. It is calculated by multiplying the number of shares outstanding by the stock's current share price.

P/E RATIO The P/E ratio, or price/earnings ratio, measures the value that the market has placed on a stock. It is calculated by dividing the current price of one share by the stock's annual earnings per share.

DIVIDEND This is generally the annual dollar amount that a company pays per share to its shareholders. Not all companies pay dividends.

DIVIDEND YIELD Dividend yield is the annual dividend divided by the current share price. The resulting percentage is used by investors to compare the dividend returns of companies with different stock prices.

PREVIOUS CLOSE This is the closing price of the stock from the previous trading day.

TODAY'S CHANGE This number tells you how much the share price has changed from the previous day's closing price.

DAY HIGH AND LOW These dollar amounts, sometimes referred to as the day range, are the stock's highest and lowest share prices for that day.

52-WEEK HIGH AND LOW These are the stock's highest and lowest share prices in the preceding 52-week period.

VOLUME Volume is typically the number of shares of the stock that have traded so far that day. The average daily volume over a specified period of time is also generally provided for comparison's sake. ■

PLEASE NOTE: All investing involves risk, including the possible loss of principal. When redeemed, a stock may be worth more or less than the amount originally invested.

Please consult your financial advisor for help in developing and implementing an investment plan.



Answers to Common Questions about IRAs

Using an individual retirement account (IRA) to build your retirement nest egg can be a tax-savvy move. Here are some answers to commonly asked questions about IRAs; your tax and financial advisors can tell you more.

Can I contribute to an IRA?

You can generally contribute to an IRA if you received taxable compensation, such as wages, salaries, and tips, during the year. Additionally...

- You must be under age 70½ at the end of the year to contribute to a traditional IRA.
- Your income must be under a certain amount to contribute to a Roth IRA. (Roth IRAs do not have an age limit.)

Can I contribute to an IRA if I have a retirement plan at work?

Yes. Even if you participate in a retirement plan at work, you can still contribute to an IRA. However, the deductibility of your traditional IRA contributions may be impacted.

Will my contributions be tax deductible?

It depends. Contributions to a Roth IRA are never tax deductible. Instead, earnings grow tax-free in a Roth IRA and qualified withdrawals are tax-free.

You can deduct contributions to a traditional IRA if you (and your spouse, if married) are not covered by a retirement plan at work. If you (or your spouse) are covered at work, your income must be below a certain limit to deduct your IRA contributions. To give you an example, the modified adjusted gross income of a single taxpayer who is covered at work must be \$61,000 or less in 2015 to fully deduct their IRA contribution.

Which type of IRA should I choose?

The answer to this question will depend on your financial situation and outlook.

If you are eligible to deduct contributions to a traditional IRA, choosing it will reduce your current taxes. This may be an attractive option for someone who is taxed heavily now and expects to be taxed at a lower rate in retirement when withdrawals of deductible contributions and investment earnings will be taxed as ordinary income.

If you are eligible to contribute to a Roth IRA, choosing it will allow your investment earnings to grow tax-free and you to make tax-free qualified withdrawals in retirement, which may be attractive to someone with many years to go before retirement or who expects to be taxed more heavily in retirement.

Your best bet is to seek advice from your financial advisor about which type of IRA may be better for you.

Can I contribute to my IRA if I am not employed?

Yes, but only if you are married, your spouse has taxable compensation, and you file a joint tax return. The amount of your combined IRA contributions must not exceed your spouse's taxable compensation.

Can I roll over savings to an IRA after age 70½?

You bet. Although you cannot contribute new money to a traditional IRA during or

after the year you reach age 70½, you can still transfer savings from another retirement account to a traditional or Roth IRA.

Can I contribute to an IRA for my child?

If your child receives wages from a job, you can contribute to his or her IRA.

Just as with an adult's IRA, contributions to your child's IRA will be limited to the child's annual taxable compensation or the IRA contribution limit, whichever is less. For example, if your child earned \$5,000 in wages in 2015 when the IRA contribution limit was \$5,500, the most that can be contributed is \$5,000.

Starting to save in a IRA as soon as a child is employed maximizes the time that the savings have to compound. Think of it: A \$5,000 contribution for 2015 that earns, say, 6% annually will amount to \$54,787 in forty years and \$99,680 in fifty years, thanks to the power of compounding. Of course, this is a hypothetical example, your results will vary, and it is possible to lose money when investing. But IRAs offer you a great opportunity to introduce your child at an early age to the importance of saving and investing for long-term goals. ■

Please consult your tax and financial advisors about IRAs and saving for retirement.

PLEASE NOTE: Withdrawals of tax-deductible contributions and earnings prior to age 59½ are subject to a 10% tax penalty unless you qualify for an exception.

A Guide to Planning Your Estate

Tips on how to help protect your loved ones' financial future, as well as your own.

Protect your loved ones.

Understand the importance and the potential of estate planning. Estate planning is more than simply drafting a will or a trust. It involves planning how to achieve the specific goals you may have for your loved ones and the causes you support when you are no longer able to help them yourself. Here are a few examples of goals that estate planning can help you achieve.

- ▶ *Protect your family's financial security.*
- ▶ *Transfer your estate to your heirs as quickly and smoothly as possible.*
- ▶ *Ensure your minor children will be raised by someone you trust.*
- ▶ *Keep the details of your estate private.*
- ▶ *Minimize expenses that can chip away at your estate.*
- ▶ *Provide for loved ones who may need help managing an inheritance.*
- ▶ *Minimize estate taxes.*
- ▶ *Protect yourself if incapacitated.*

If you do not have an estate plan yet, talk to your financial and legal advisors about creating one now and the goals you hope to achieve for yourself and your loved ones. It is never too early to develop a plan that directs how your property will be distributed after your

death, or managed during your lifetime if you become incapacitated.

If you die without a will, state law will dictate who will inherit the parts of your estate that are not transferred by other means.

Get your beneficiary designations in order. Several types of assets, such as life insurance and assets held in financial accounts, can be transferred by beneficiary designation rather than by your will or other estate planning documents.

The big advantage of transferring assets by beneficiary designation is that those assets will not have to pass through probate after the owner's death, which can save time and money. As long as you name a specific person, charity, or trust as the beneficiary, the assets will generally be transferred directly to the beneficiary after the owner dies (or the last surviving owner dies, if the assets are owned jointly). And until the owner dies, the beneficiary has no rights to the assets.

If you name your estate as the beneficiary, those assets must pass through probate before they can be distributed.

Assets that can transfer by beneficiary designation include:

- ▶ *Checking and savings accounts* typically offer a payable-on-death or in-trust-for option that enables you to indicate who will inherit the money in the account.

- ▶ *Investment accounts* generally offer a similar beneficiary option known as a transfer-on-death, or TOD.
- ▶ *Retirement plans*, such as IRAs and 401(k) plans, allow you to name a beneficiary to inherit the assets in the account. If you are married, your 401(k) beneficiary choice is limited to your spouse unless you get your spouse's written permission to name someone else. In community property states, you may also need your spouse's written consent to name a primary IRA beneficiary other than your spouse.
- ▶ *Life insurance policies* pay their proceeds directly to the beneficiary named in the policy.
- ▶ *Vehicles* can be transferred in some states to the beneficiary you name on the vehicle registration form.
- ▶ *Real estate* can be transferred in some states to the beneficiary you name on the deed.

Choose your beneficiaries carefully. Beneficiary designations generally take precedence over any instructions to the contrary in your will.

It is also important to remember that you can change your beneficiaries at any time. In fact, it is a good idea to review your beneficiary designations every year or so to ensure that they still reflect your current thoughts on who should inherit your assets.

A photograph of a man with dark hair and a beard, wearing a white V-neck sweater, smiling and hugging two children from behind. The children, a girl and a boy, are also smiling and looking towards the right. They are on a sandy beach with the ocean in the background.

Name a guardian for your children.

One of the most important estate planning decisions facing parents with children under age 18 is who will raise their children if both parents die. Your choice of guardian will have a profound impact on your children's lives if the unthinkable happens, so it is important to choose the person who you think will do the best job—and then to make your choice legally known. This is typically done by naming a guardian in your will. Here are a few things to consider.

- ▶ *If you do not name a guardian, the court will appoint someone to care for your children, without any input from you, and it may be someone you'd prefer not to raise your children.*
- ▶ *The guardian is not obligated to serve so it is a good idea to get their agreement before naming them in your will.*
- ▶ *Consider also naming an alternate guardian in case your first choice is unable to serve.*



Choose someone to manage your children's inheritances.

If you have minor children, decide who will manage any money or property that they inherit from you. Consider naming a property guardian or a custodian who can manage the assets while the children are young. Or consider establishing a trust, overseen by a trustee who can manage the trust assets.

Prepare a will. A last will and testament is a key part of every estate plan. It is used to transfer the property you own that is not being transferred by other means, such as beneficiary designations, joint ownership, and trusts.

In your will, you spell out how you want your estate distributed, taking into account any restrictions set by your state. Your beneficiaries might include family, friends, and charities.

If you have minor children, you also indicate in your will who you want to raise them on the chance that both parents die while the children are young.

After your death, your will must be validated and distributed under the supervision of a probate court. In some circumstances, this can be a lengthy and costly process—but not always. Many states offer a streamlined probate process, enabling smaller estates to pass relatively quickly and inexpensively through probate.

Consider using a revocable living trust.

A revocable living trust is a legal arrangement you create to direct how the assets you put in it are to be managed during your lifetime and distributed after your death.

As trustee, you retain full control of the assets in your trust. You can invest, spend, or sell them, just as you would any of your other possessions. After your death, your successor trustee manages and distributes the trust assets per your directions.

Why consider using a revocable living trust?

- ▶ *Revocable living trusts avoid probate.* If you live in a state with high probate costs, using a revocable living trust may save your estate a significant amount. And if you own real estate outside your home state, transferring ownership of it to the trust eliminates the need for probate in multiple states.

- ▶ *The details of the trust can be kept private.* A will becomes a matter of public record when it enters probate. A revocable living trust does not enter probate so the assets in the trust can be transferred to your heirs without the details becoming public knowledge.
- ▶ *Your successor trustee can manage the trust assets if you become incapacitated.* The person you name as your successor trustee can step in and manage the trust assets for your benefit during your lifetime if you become incapacitated and are unable to manage them yourself.

In addition to a revocable living trust, you will still need a will to provide direction for any assets that were left out of the trust and that cannot be distributed by other means. Plus if you have minor children, you need a will to name a guardian for them.

Use trusts to meet special objectives.

In addition to revocable living trusts, there are several other types of trusts with the potential to avoid probate and preserve privacy, as well as meet other objectives that may not be met if you leave your assets outright to your heirs in a will. For example, there are trusts that can...

- ▶ *Provide an income to a second spouse,* while protecting the inheritance of children from the first marriage.
- ▶ *Manage inheritances* for individuals who are too young or may not be able to manage them on their own.
- ▶ *Shield the trust assets from creditors.*
- ▶ *Preserve the government benefits of a special needs individual* while enhancing the quality of his or her life.
- ▶ *Minimize estate taxes.*

What types of assets avoid probate?

ASSETS WITH BENEFICIARY DESIGNATIONS

Assets, such as financial accounts, that allow you to designate a beneficiary do not pass through probate, as long as you designate a specific person, not your estate.

SOME JOINTLY OWNED PROPERTY

Property held as "joint tenancy with right of survivorship", "tenancy by the entirety", or "community property with right of survivorship" does not go through probate. (Property held as "tenancy in common" does go through probate.)

ASSETS HELD IN CERTAIN TRUSTS

Trusts that are created and funded during your lifetime generally avoid probate. (Testamentary trusts, which go into effect after death, must go through probate.)

It is a good idea to review your estate planning documents and beneficiary designations every few years, as well as when:

- ▶ There is a change in your marital status.
- ▶ There is a change in your family, such as a birth, adoption, or death.
- ▶ An executor, trustee, or guardian dies or is no longer willing or able to serve.
- ▶ A family member becomes disabled.
- ▶ There is a significant change in your assets.
- ▶ You move to a new state.
- ▶ The laws regarding taxes and estates change.



Minimize or avoid estate taxes.

Determine whether your estate will owe federal estate taxes. Most estates will not. Thanks to the federal lifetime exclusion, individuals can transfer up to \$5.45 million, during or after their lifetimes, without owing a cent in federal gift, estate, or generation-skipping transfer taxes.

And married couples can transfer twice that amount (\$10.9 million) by making use of each spouse's lifetime exclusion. Plus, spouses can generally transfer an unlimited amount to each other free from federal transfer taxes.

The federal lifetime exclusion is indexed for inflation. The 2016 amount is used here.

Determine whether your estate will be subject to state estate taxes. Several states and the District of Columbia impose an estate tax—and their exclusion amounts may be far lower than the \$5.45 million exclusion allowed for the federal estate tax. So even if your estate will not owe federal estate tax, it may very well owe state estate tax.

Plan to minimize estate taxes. If it looks like your estate will owe estate taxes, there may be steps you can take to minimize or avoid them so that more of your estate goes to your heirs. Here are a few ideas.

- ▶ *Make annual gifts to reduce the size of your taxable estate.* You can give up to \$14,000 each to as many people as you want in 2016 without your gifts being subject to the federal gift tax or using up any of your federal lifetime exclusion.
- ▶ *Arrange for an irrevocable trust to own your life insurance policy.* This will generally keep the proceeds outside of your estate—and outside of the reach of estate taxes.
- ▶ *Consider using a family limited partnership (FLP) to transfer certain assets to family members at a reduced tax cost.*
- ▶ *Explore tax minimization strategies with an estate planning professional.*

Protect yourself.

Plan for the day when you are not able to handle your financial or medical affairs.

There may come a day when you are unable to handle your own affairs due to an illness or injury. Planning for that day now can help ensure that your financial and medical decisions are made by someone you choose rather than someone a judge appoints.

- ▶ *Name someone to make medical decisions on your behalf.* You can do this with a legal document known as a health care proxy or a durable power of attorney for health care.
- ▶ *Decide how you want your end-of-life medical care handled.* If you have views on resuscitation, mechanical ventilation, and tube feeding, make them known in a living will so that your loved ones do not have to guess at the care you want to receive—or not receive—in an end-of-life situation.
- ▶ *Choose someone to handle your personal and business affairs.* A durable power of attorney for finances gives the person you choose the authority to handle all or part of your affairs if you become incapacitated. This might include paying your bills, depositing your income, filing your tax returns, and so on.
- ▶ *Find out if your financial institution has its own power-of-attorney form.* If it does, it may not readily honor a power of attorney created elsewhere. ■



Estate planning can help you protect your loved ones' financial future, as well as your own. Contact your estate planning professional today for help developing or updating a plan to manage and transfer your wealth.

Financial Advice for Engaged Couples and Newlyweds

Congratulations on your marriage! To help ensure a smooth start to your financial life together, we've put together these general tips that may help the two of you get your finances in order, save money, and build a strong financial future. Please consult your financial advisor for advice on your specific situation.

Hold an open and honest discussion about your finances before you get married. Talk about your income, your assets, your debts, and your financial obligations, such as financial support for children from an earlier relationship. Talk about your financial goals and dreams. Holding this discussion now may help you avoid an unwelcome surprise later on. Plus, it can help you begin to plan how you will work together toward your shared financial goals.

Consider a prenup. A prenuptial agreement can help protect your financial interests in several ways, such as ensuring that the assets you owned prior to marriage remain yours after a divorce, protecting the inheritances of your children from prior marriages, and shielding you from responsibility for your spouse's debts. Please seek advice from your attorney about whether a prenup is right for you.

Consider updating the beneficiary designations on your retirement accounts, savings accounts, investment accounts, and life insurance policies. The person you name as the beneficiary on these accounts and policies will inherit them, regardless of any directions to the contrary in your will.

Consider updating your estate planning documents, such as your wills, trusts, and health care proxies, to include your spouse.

If you do not have any estate planning documents, this is a good time to create them—especially if you have children from an earlier marriage to consider.

Let the Social Security Administration and your employer know if you have changed your name. Not only will this help ensure that you receive the correct benefits at retirement, it can also help you avoid problems filing your tax return because the name on your tax return must match the Social Security Administration's records.

Review your homeowners, renters, and car insurance. You may have more of everything—house, furnishings, vehicles—to protect now. Insuring with a single insurer may lower your premiums. Before you combine your car insurance policies, it is a good idea to price it out with your insurance agent first. Although a combined policy has the potential to save you money, in some circumstances, such as if one spouse has a poor driving record,

a combined policy may cost you more than two separate policies. Price it out with your agent, however, because just the fact that you are now married may result in a decrease in your rates.

Consider purchasing life insurance.

If one spouse would have a difficult time maintaining their standard of living without the other spouse's income, consider purchasing life insurance.

Consider purchasing disability insurance.

Long-term disability insurance replaces part of your income if you are too ill or injured to work for a long period of time and can help minimize the financial strain that a long-term illness or injury may place on your marriage.

Review your health insurance. If you and your spouse are covered by separate health insurance plans, review both plans. Perhaps one plan is stronger than the other. Perhaps money can be saved with family coverage under one plan rather than individual coverage under two plans. You can generally add a spouse to your workplace plan within 30 days of your marriage (60 days for a Health Insurance Marketplace plan); miss that window and you'll likely have to wait until the next open enrollment period to make the change.

Meet with your financial advisor to create or update your financial plan.

Your advisor can help you and your spouse create and implement a plan for pursuing your shared financial goals, such as a new home, college educations for the children, and retirement. ■



**If your name or address changes,
update the information for your...**

- Bank accounts
- Brokerage accounts
- Credit cards
- Driver's license and vehicle registration
- Insurance policies
- Memberships
- Passports
- Property titles
- Social Security
- Voter registration
- Employers
- Former employers, if you have a retirement plan or pension with them



Ten Reasons to Consider a 529 Plan

529 college savings plans have helped millions of families save for college.

Ask your financial advisor whether one is right for you.

- 1 Tax-free growth.** Investment earnings grow tax-free in a 529 college savings plan.
- 2 Tax-free withdrawals.** Withdrawals are exempt from federal taxes if used for qualified higher education expenses, such as college tuition, fees, and generally room and board.
- 3 Possible perks from your state.** Your state may offer tax breaks and other benefits (for example, reduced or waived program fees, matching grants, and scholarships to state colleges) for choosing its 529 savings plan.
- 4 No income restrictions on who can contribute.** Even high-income individuals can contribute to 529 plans—and enjoy the tax benefits.
- 5 You are in control.** The person who opens the account (the account owner) controls the account, not the student.
- 6 You can reclaim the funds.** Most 529 plans will allow you as the account owner to reclaim the funds in the account for your own use, although you will owe income tax and a 10% tax penalty on the earnings if you do.
- 7 You can change beneficiaries.** If the account's beneficiary decides not to go to college, you can name another member of his or her family as the beneficiary.
- 8 A unique gift tax advantage.** A special tax rule that applies only to 529 plans allows you to combine five years' worth of annual gift tax exclusions and contribute up to \$70,000 (\$140,000 for married couples who file jointly) per beneficiary in a single year without incurring the federal gift tax or reducing the amount that can be excluded from your estate later on. (You must outlive the five-year period, or a prorated portion of your contribution will be included in your estate for estate tax purposes. Please consult your tax advisor for more details.)
- 9 Low impact on financial aid eligibility.** When determining eligibility for financial aid, savings in a 529 plan are generally treated more favorably than savings in a regular account held in the student's name.
- 10 Assets are protected from bankruptcy.** Assets in a 529 plan are generally protected from your creditors, if the account's beneficiary is your child, step-child, grandchild, or step-grandchild. ■

PLEASE NOTE: For more complete information about a 529 college savings plan, including investment objectives, risks, fees, and expenses associated with it, please carefully read the issuer's official statement before investing. It can be obtained from your financial advisor. Some states offer state residents additional benefits, such as a state tax deduction for contributions to the plan, reduced or waived program fees, matching grants, and scholarships to state colleges. Any state-based benefit offered with respect to a particular 529 college savings plan should be one of many appropriately weighted factors to be considered in making an investment decision. You should consult with your financial, tax, or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You also may wish to contact your home state or any other 529 college savings plan to learn more about the features, benefits, and limitations of that state's 529 college savings plan.



aving for college with a 529 college savings plan offers many advantages, chief among them is the ability for your investment earnings to grow free from federal taxes. Withdrawals are also exempt from federal taxes as long as they are used for qualified higher education expenses, such as college tuition and fees.



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EDINBURGH | Great Scot!

BY BRIAN JOHNSTON

Edinburgh's dramatic old town and turbulent history form only one side to the Scottish capital, which is seeing a contemporary resurgence of culture and identity.

THEME-PARK GHOST RIDES AND haunted houses are all very well, but if it's real-life horror you want, head to Edinburgh's dramatic old town. This is the real thing: a thousand years of stormy history peopled with beheaded queens, body-snatchers, mad murderers, and witches at every turn. In a tourist world of sanitized history, Scotland's capital still has a raw edge and is proud of its disreputable past. But Edinburgh is thriving in the present, too, as the semi-independent administrative and political center of a resurgent Scotland. It boasts one of Britain's best universities, remodeled museums, an arts festival with an edgy counterpart fringe festival, and newly hip waterfront districts where restaurants twinkle with Michelin stars.

For horrible histories, begin at the grimly splendid castle atop its black volcanic outcrop. From the ramparts there are chilly views over Edinburgh and across the Firth of Forth—an inlet of the North Sea—to the hills of Fife beyond, providing a glimpse of wild Scotland from the middle of the city. The castle's interior is cluttered with armor, tapestries, and crown jewels, including a circlet of gold worn by Robert the Bruce, who defeated the English army at Bannockburn in 1314 and gained recognition of Scotland's independence. Much later, Mary Queen of Scots gave birth to her son James VI in the castle. He was to become James I of England when in 1603 the crowns of the two countries were united, although their governments remained separate for another century.

From the castle, a river of cobbles flows downward between canyons of medieval houses along the Royal Mile, named because it links Edinburgh Castle to the Palace of Holyrood. Its top section, Lawnmarket, was once home to noblemen and wealthy merchants. Fine, tall houses line the street, including Lady Stair's House, now a museum dedicated to Scottish literary figures such as Sir Walter Scott, Robert Burns, and Robert Louis Stevenson.

Not all its inhabitants were respectable, however. Opposite Lady Stair's House, Brodie Close was the home of an eighteenth-century gentleman notorious for his double life. By day William Brodie was a member of the Town Council and a pillar of Edinburgh society, by

Edinburgh Castle (left) perches on a rocky outcropping high above Scotland's capital city. A big jump forward in time and a short walk down the Royal Mile from the castle brings you to the ultra-modern Scottish Parliament complex (below), where oak poles cover windows and pools of water mimic nearby lochs.

night a violent robber. When he was finally caught and hanged in 1788, it caused a high-society sensation. Brodie achieved immortality as the inspiration for Stevenson's story *Dr. Jekyll and Mr. Hyde*—and in the name of the Lawnmarket's largest pub, Deacon Brodie Tavern.

These days, tartan stores and souvenir shops provide Lawnmarket with a cozier image, but you still get hints of history in the muddle of wynds and alleyways that lie off the Royal Mile. The most interesting, Mary King's Close, lies just behind the cathedral. The inhabitants of the close were decimated by the plague in 1645 and the alley was then built over, becoming part of the City Chambers. Below lies an eerie underground lane, where the footsteps of visitors echo off abandoned houses and shops now entombed beneath the city's modern streets.

A short walk away, Grassmarket too has its share of ghoulish stories: in the nineteenth century, two imaginative businessmen called William Burke and William Hare lived in Tanner's Close, making a living from bodysnatching in order to supply anatomy professors at Edinburgh University. These days, it's more for people with a liking for antique stores and old-fashioned, wood-lined pubs with gleaming beer taps. It's a good evening destination for live bands, malt whiskies, and the swapping of improbable tales. Ian Rankin fans will appreciate the atmosphere and expect to find detective John Rebus propping up the bar. Student pub-crawlers can get rowdy on weekends, bringing back an echo of Grassmarket's riotous medieval days.

From here, it's worth a slight detour to the recently overhauled National Museum of Scotland, an eclectic collection of steam locomotives, dinosaurs, and the original cloned sheep Dolly, suitably stuffed for posterity and testament to the ongoing inventiveness of Scotland's scientists. Continue on the Royal



Mile, however, and it will lead you past the asymmetrical Scottish parliament building, a concrete oddity built in 2005, to the gates of the Palace of Holyrood, official residence of the royal family in Scotland.

The palace grounds contain the jackdaw-haunted ruins of a former abbey and landscaped gardens where the Queen holds annual garden parties. The ornate state rooms inside are a stage set for more of Scotland's improbable history. The turbulent reign of Holyrood's most famous resident, Mary Queen of Scots, saw three marriages and several uprisings before she finally lost her throne and head. Guides recount the troubled tale as it happened: no soothing tourist talk here about chivalry and romance.

If fresh air calls after this period drama, then Arthur's Seat is a wild, windy hill looming above the palace; along with monument-strewn Calton Hill opposite, it provides brilliant Edinburgh views. Alternatively, take a stroll down to Princes Street Gardens under the castle rock face, where ducks paddle and bands play on summer afternoons. The revamped

National Galleries here hold works by the European greats and have a particularly interesting section on Scottish painters.

Shoppers and cocktail-lounge aficionados, on the other hand, will prefer Princes Street, the city's main shopping drag. Take a look at the Gothic-inspired monument at one end dedicated to Sir Walter Scott, the Victorian novelist. It was largely thanks to him that readers 'discovered' the noble Highlands (where repression had ruthlessly been carried out in the eighteenth century) as an attractive alternative to the harsh realities of industrial, urban Britain, a fascination that has endured in Hollywood movies such as *Highlander* and *Braveheart*.

On the other side of Princes Street is New Town, actually part of Edinburgh's eighteenth-century expansion. Elegant Georgian town houses were built around pleasant parks and avenues north of Princes Street to mark the city's burgeoning wealth. The Georgian House on elegant Charlotte Square, owned by the National Trust, gives an idea of life in a wealthy household at the time of Jane Austen. New Town is also the location of many of Edinburgh's banks, law firms, and financial institutions. Its grand buildings, large bookstores, statues of British notables, and many squares and parks (haunted in the middle of the day by sandwich-eating office workers) make for a pleasant stroll.

You could end your exploration of Edinburgh three miles north at the historical harbor at Leith, formerly a no-go area of seedy bars and tenement buildings. Now it's the latest hip neighborhood, filled with seafood restaurants, Michelin-star bistros and luxury apartments, and also the permanent mooring place for the Royal Yacht Britannia, which you can tour with an audio-guide for a glimpse into the Queen's personal taste for rather simple 1950s style. It doesn't show quite the same flamboyance of her mad medieval ancestors, but perhaps that's a good thing. ■



SPRING FLOWER FESTIVALS

Where to feast your eyes this spring as masses of flowers burst into bloom.

WASHINGTON, DC

National Cherry Blossom Festival *March 20–April 17, 2016*

Although the blossoming cherry trees surrounding Washington's Tidal Basin are the star of the show, this national celebration of spring spreads out across metro D.C. with four weeks of world-class entertainment and cultural events. There's typically a parade down Constitution Avenue, a fireworks display, a kite festival, and free performances every day at the Tidal Basin Stage from noon to 6 p.m. Iconic buildings and transportation hubs are lit in pink for the festival. The exact date when the cherry blossoms will be at their peak varies from year to year. To get an idea of when they are expected to peak this year, visit the website www.nationalcherryblossomfestival.org and click on "Bloom Watch" as the start of the festival draws near.

SKAGIT VALLEY, WA

Skagit Valley Tulip Festival *April 1–30, 2016*

Hop in your car and head to the Skagit Valley in northwestern Washington State this April where you can drive past millions of tulips blooming in the fields of commercial bulb growers. The fields are scattered throughout the valley and the locations may vary from year to year, so it is a good idea to download a map at www.tulipfestival.org that lays out the route of this year's driving tour.

ENNIS, TX

Ennis Bluebonnet Trails *April 1–30, 2016*

The roadsides and pastures of Ennis, Texas are awash in blue each April as the state flower of Texas, the bluebonnet, puts on its annual show. To find the best displays on any given day, go online to the Ennis Convention and Visitor Bureau's website (www.visitennis.org) for a map and driving directions to where the bluebonnets are currently blooming. Although peak times can vary, the bluebonnets typically peak in the third week of April in the Ennis area, according to the Ennis Garden Club.

BOSTON, MA

Lilac Sunday *May 8, 2016 at the Arnold Arboretum*

Immerse yourself in the scent and color of blooming lilacs on May 8th at the Arnold Arboretum, home to one of the premier lilac collections in North America. The daylong celebration features family activities and refreshments, in addition to tours of the lilacs.

LISSE, NETHERLANDS

Keukenhof *March 24–May 16, 2016*

The world's largest flower garden (shown above), Keukenhof, puts on a spectacular display for two months each spring as more than 7 million bulbs burst into bloom in Keukenhof's parkland setting. In March, the crocuses, narcissus, and hyacinths are the first flowers to appear; followed in April and May by 800 varieties of tulips. Last year, the two-month display drew more than 1 million visitors from around the world. The theme of this year's event is "The Golden Age", which refers to a period when trade, commerce, science, and art flourished in the Netherlands.

ALBANY, NY

Albany Tulip Festival *May 7–8, 2016*

Albany celebrates its Dutch heritage on Mother's Day weekend each year with a tulip festival in Washington Park. Visitors can stroll along pathways lined with tulips (more than 100,000 bulbs are planted), browse the wares of craft vendors, and enjoy musical performances.

WILMINGTON, NC

North Carolina Azalea Festival *April 6–10, 2016*

Enjoy the beauty of springtime at the North Carolina Azalea Festival—5 days of special events in the Wilmington area that include home and garden tours, art shows, concerts, and, of course, masses of blooming azaleas. ■

QUIZ

NAME THAT NATIONAL PARK

On August 25, 2016, the National Park Service turns 100! In honor of their centennial, see how many national parks you can identify from these photos. To learn more about any of the national parks, please visit www.nps.gov.



1: (A) Yellowstone or (B) Denali



2: (A) Acadia or (B) Everglades



3: (A) Grand Canyon or (B) Biscayne



4: (A) Death Valley or (B) Yosemite



6: (A) Shenandoah or (B) Canyonlands



5: (A) Saguaro or (B) Grand Teton

ANSWERS: 1-A, 2-B, 3-A, 4-A, 5-B, 6-B.

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