



# PEACE OF MIND™

## NEWSLETTER

*Exclusively for POM Members*

801 E. Charleston Road  
Palo Alto, California 94303

March, 2023



### Bank Failure as a Cautionary Tale

Many have been shaken by the failure of Silicon Valley Bank and related problems. We urge you to think about this phenomenon and if it could have any impact on you.

The federal government has guaranteed protection of all funds that were deposited with the bank. There is also the \$250,000 coverage through the FDIC, a cap that is being ignored by the Biden administration to be sure that everyone is protected.

If you have questions about the bank you choose or the investments you make, we remind you that you can meet with the financial planner with whom we have a working relationship on any Thursday. Anthony Trias will be in our office in Palo Alto on that day to meet with members of the Peace of Mind program – at no cost whatsoever. It would be a worthwhile visit to simply have him review your investments. Fees, if any, would only from work that would be done at your direction after the meeting.

If for no other reason, we suggest that you meet with him so you can ask any questions and enjoy enhanced “peace of mind.”

Call our office to set that appointment.

### How Members Use their Free Hour

**Long time POM members** consulted with us about developments in the family, approaches to fund a move into a life care community, and the possible sale of the residence. The discussion yielded many important points and identified many options of which they were unaware.

More importantly, we identified significant tax considerations that strongly discourage sale of the house. We identified other steps that would be designed to preserve the current level of low property taxes for the next generation. A Crummey Trust was also identified as an optional way of providing support for a new grandchild.

As is so often the case, they came to see us with two questions. They did not get a simple answer because their situation is not simple. They are now aware of tax-saving options that will have a tremendous and positive impact on the lives and financial security of the next generations.

**Long time member Jay M.** Talked with us about her firm decision to remain at home even if extraordinary long term care support services are needed. She understands the potential financial implications of this decision.

In addition to the utilization of her assets to achieve this goal, she recommends the following to anyone who has this inclination. “Form a committee of friends and family to support a senior who wants to stay in her home.” She said that, as with raising a child, “it takes a village.”



## Considering Home Care Services?

Most of us over the age of 65 will need some form of long term care. For home care services, you can use an agency or hire your own caregivers. If you take the latter approach, be careful about payroll, taxes, and related payments that have to be made.

To take care of this, you can work with your CPA or you can use an online payroll company. While we have no direct experience with them, two such companies are HomePay and Gusto.

### ***Exclusive Peace of Mind Webinar*** You Do Have Tax Issues that Require Attention

- Property Taxes
- Capital Gains Taxes
- Gift/Estate Taxes
- How They Can Be Hidden or Misunderstood

**Tuesday, April 11 at 2PM**

Register at [www.Gilfix.com/peace-of-mind/](http://www.Gilfix.com/peace-of-mind/)

#### **SUBSCRIBE TO THE "GILFIX LAW" YOUTUBE CHANNEL**

Mark Gilfix and Michael Gilfix explore and explain countless topics in their weekly webinars, all of which are now available on YouTube. Topics include estate tax, long term care, property tax increase avoidance, choosing a trustee, special needs planning, and much more.



## Special Needs Trust Planning *is* Tax Planning

A new client consulted with us about assets they transferred into a Special Needs Trust created by another attorney. The trust was fundamentally competent. The problem is that the attorney failed to advise these individuals about a number of important tax issues.

For example, the attorney recommended the transfer of some stock shares into the Special Needs Trust. These individuals were not advised about the loss of the stepped-up basis since those stock shares would not be in their estate at their passing. As a result, subsequent sale of the stock will generate capital gains tax on the gain or profit. Sale will generate state and federal capital gains taxes that will be in the area of \$35,000.

The attorney also failed to advise our new clients of the need to file a Federal Gift Tax return.

We say it so often: you can't do Special Needs Trust planning without thoroughly understanding gift, estate, capital gains, and property taxes intimately. Everything is related and there can be unintended consequences.

As you thoroughly understand, we include expertise in these tax areas on behalf of every client for whom we work. If you have questions, use your no-fee consultation as members of the Peace of Mind program. Even if you have used your hour, consult with us to be sure of your understanding of these issues.

# UPCOMING EVENTS

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## **★Use or Share your FREE hour POM consultation★**

Remember: If you do not plan on using your annual consultation, let a family member use it. It is transferrable. Use the attached certificate and just make the appointment!

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## ***PEACE OF MIND***

### FREE CONSULTATION\* CERTIFICATE

I/We, \_\_\_\_\_, give to \_\_\_\_\_  
[POM Member] [Recipient]

our 20\_\_\_\_, annual free Peace of Mind Consultation to be used on or before  
\_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_

\_\_\_\_\_  
[POM Member]

\_\_\_\_\_  
[POM Member]

\*When calling to make this appointment, please indicate that you have this Certificate

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GILFIX & LA POLL ASSOCIATES, LLP

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Member Newsletter

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