



PEACE OF MIND™ NEWSLETTER

"Exclusively for POM Members"

2479 E. Bayshore Road, Suite 220
Palo Alto, California 94303

Spring, 2017



The ABLE Act For Individuals with Disabilities *"A New and Wonderful Opportunity"*

On December 19, 2014 President Obama signed into law Achieving a Better Life Experience (ABLE) Act of 2013. It allows the creation of tax-free savings accounts for persons with disabilities. It is conceptually similar to 529 Accounts that are used to fund the cost of higher education.

Any individual – the individual with the disability, parents, relatives, friends – can transfer up to the annual exclusion limit of \$14,000 per year to such accounts. The accounts can earn money and grow without exposure to income tax.

Importantly, up to \$100,000 can be in such an account without disturbing eligibility for government benefits such as Supplemental Security Income (SSI) and Medi-Cal. ABLE Act accounts nicely complement Special Needs Trusts that must also be established for individuals with disabilities.

Eligible individuals must show that the disability was diagnosed/established before becoming age 26.

Money in such accounts can be used for an impressively wide variety of needs. It can be used for transportation, employment training and support, education, and personal support services. Funds can be used to pay for health care expenses not covered by Medi-Cal.

ABLE Act accounts are completely independent of and separate from Special Needs Trusts. If he is capable, the individual for whom the account is established can be the owner and manager of an ABLE Act account.

Special Needs Trusts continue to be the key planning tool for the benefit of a special needs child.

The vast majority of Special Needs Trusts are created by parents for their children. These are referred to as "third party" Special Needs Trusts. Upon the passing of the individual beneficiary, there is no state reimbursement whatsoever. Assets remaining in the trust go to identified beneficiaries, presumably other family members or charities of choice. ABLE Act accounts are subject to state reimbursement claims, which could drain them, leaving nothing for secondary beneficiaries.

The state of California must act to make ABLE Act accounts available. We expect action this summer.

Peace of Mind Seminar
Stay Out of Nursing Homes
Presented by On Lok Lifeways

Thursday, April 6, 2017
2:00 PM
Palo Alto Bay Café
1875 Embarcadero Road

The PACE Program Exclusive Peace of Mind Seminar Presented by On Lok

On Lok Lifeways is a comprehensive health plan that provides long-term care for eligible seniors in the Bay Area with the goal of helping seniors live at home and in the community for as long as possible.

On Lok Lifeways, a nonprofit, is a certified Program of All-inclusive Care for the Elderly (PACE). The PACE model is centered on the belief that it is better for the well-being of seniors with chronic care needs and their families to be served in their community whenever possible.

On Lok Lifeways offers home care and a broad array of services in the home and community.

Manpreet Bhella of On Lok Lifeways, will explain how their services can assist you with your long-term care plan.

Thursday, April 6, 2017

2:00PM

Bay Café

1875 Embarcadero Road, Palo Alto

Please call 650-493-8070 to RSVP.



Creative Use of Your Free Annual Consultation, And More

Here is another example of how a consultation provided unexpected assistance.

Mr. and Mrs. L, longtime Peace of Mind members, used their free hour to discuss the modification of their existing trust structure. They learned from a Gilfix seminar that the AB Trust approach is no longer appropriate for so many couples.

As so often happens, two other vitally important issues were raised in the meeting by their attorney. One resulted in the creation of a Special Needs Trust for a child who has never been able to maintain employment because of his disability. The second resulted in a recommendation that they utilize a "1031 Exchange" when selling their residence, much of which has long been used as part of the family business. This approach is likely to save them between \$100,000 and \$200,000.

And remember: In addition to your annual free hour, you may ask questions of us particularly when you send in your annual questionnaire. Recently, for example, members received a letter from an attorney who prepared their estate plan many years ago. We since were given responsibility and updated their entire estate plan. Many possible changes were recommended in the letter they received from their prior attorney. We analyzed the letter, reviewed their trust, and confirmed in writing that everything is up-to-date and that all critical tax points are properly addressed.

In other words, they received "peace of mind" from participation in the program. This exchange generated no fees whatsoever.

GILFIX & LA POLL ASSOCIATES, LLP

PEACE OF MIND

Member Newsletter

UPCOMING EVENTS

Exclusive Peace of Mind Seminar

On Lok Lifeways

Presented by:
Manpreet Bhella

Thursday, April 6, 2017

2:00 PM

Bay Café

1875 Embarcadero Road, Palo Alto

Save the Date: May 10, 2017
13th Annual Special Needs Trust Seminar

**EXCLUSIVE
NEWSLETTER
FOR POM MEMBERS
ONLY**