



## The Estate Tax – Present and Future

*What planning steps should you take?*

Along with most planners, we were surprised when Congress and the president extended the \$5 million level of individual estate and gift tax protection and seemingly made it permanent. Moreover, the level of protection is tied to a cost of living index. In 2013, for example, the actual level of protection is \$5,250,000. It will be higher in the future unless there is a change in law.

**If you are a married couple and you have less than \$10 million, do you need to worry about estate tax exposure?**

*Not unless there is a change in federal estate tax law or a substantial increase in the value of your estate. Your AB Trust protects the maximum level of protection for each of you, so estate tax should be eliminated.*

**I heard about “portability,” what does that mean?**

*Even if you fail to have an AB Trust in place – with the division of the estate into two sub-trusts after the first death – portability means that the surviving spouse can claim the first decedent’s \$5 million along with her own. To take advantage of this, important and specific steps must be taken at the time of the first death. This means that, as always, careful planning is needed.*

**Is it also possible to give away \$5 million each?**

*Yes. This gifting opportunity is also tied to the index, so it, too, has increased to \$5,250,000 this year. This is separate from and in addition to the \$14,000 “annual exclusion.”*

**If your estate is over \$10 million and you are a couple, or if it is over \$5 million and you are single, do you have estate tax exposure? If so, what can you do?**

*You do still have estate tax exposure. Approximately 40% of everything over the level of protection will go to the government unless you take additional steps.*

*Fortunately, there are many steps that can be taken to reduce or eliminate this tax even if your estate substantially exceeds \$5 million per person. If you do not yet have a copy of the 2012 book by Michael Gilfix, Beat Estate Tax Forever, request a copy now. The second edition is now being prepared so that it reflects 2013 law.*

**Register for: 2 New POM Seminars. See Topics and Dates.**

## **Do them a favor – refer your family and friends to Gilfix & La Poll.**

A new client had us review a Special Needs Trust for their disabled child. It was prepared by another attorney's office. It was seriously flawed, in that it mandated repayment to the state for all benefits received. This provision is clearly inappropriate and would have cost the trust estate tens of thousands of dollars. We fixed it.

Unfortunately, we have a long list of clients for whom we had to redo or correct estate planning errors. This can be in the area of tax planning, Medi-Cal and asset protection, special needs, and others.

You know us and the quality of work that we do. We believe it is in the best interest of your friends and family members to have their estate planning and asset protection work done professionally and properly. You know that we can do this.

When you refer family members and friends to us, be sure that they tell us. We are happy to build in our "family discount," to reduce their fees across the board.

We thank you for thinking of us.

### **Reminders to our members:**

1. Call with any questions you have about your trust or its operation. No fees!
2. Take advantage of your "free hour consultation." If you do not need it, give it to a child or a friend.
3. Keep us up-to-date on family developments.



## **A Special POM Seminar You want to stay at home and avoid a nursing home.**

*Where can you find caregivers to come in your home? What will it cost?*

This question is raised by most of us, sooner or later. On June 4, Amy Andonian of the peninsula office of the Institute on Aging will present a special seminar for Peace of Mind members. Amy runs the program that was previously known as Older Adults Care Management (OACM), one of the first home care agencies on the peninsula.

Amy will explain when it is appropriate to have a caregiver in the home, how the selection is made, how the cost is paid, and other vital services that are available in the community.

If you or a loved one has mobility or care issues that threaten your right to remain at home, attend this very special program that will be presented exclusively for members of our Peace of Mind program.

**Date: June 4, 2013 at 6:00pm**

**Location: Bay Café**

**Call to reserve your place.**





GILFIX & LA POLL ASSOCIATES, LLP

# PEACE OF MIND

Member Newsletter

## **UPCOMING EVENTS**

### **SPECIAL POM MEMBER ONLY SEMINARS –**

**AVOIDING NURSING HOMES – THE COST OF HOME CARE WITH AMY ANDONIAN, INSTITUTE ON AGING:**

June 4, 2013, 6:00PM • Location: Bay Café

1875 Embarcadero Rd. Palo Alto, CA 94303

**UNDERSTANDING YOUR REVOCABLE TRUST, FAMILY PROTECTION TRUSTS, AND THEIR OPERATION**

**JANET TALLETT, ESQ. OF GILFIX & LA POLL**

July 8, 2013, 6:00PM • Location: Bay Café

1875 Embarcadero Rd. Palo Alto, CA 94303

*Please call (650) 493-8070 immediately to register for the POM Seminar as space is limited.*

**BRING YOUR KIDS.**

