



Trust and Estate Planning News and Updates

The Good News, Updates, and Important Information From Your Friends at **Unruh, Turner, Burke & Frees.**

utbf.com/trust-estate | paestateplanners.com | paelderlawsolutions.com

[ATTENTION] Make sure that the new tax law helps and doesn't hurt you and your heirs... By: David M. Frees, III

In case you missed it, a few weeks ago Congress passed (after quite a bit of back and forth), and the President signed, a new tax law that made some major BUT TEMPORARY changes to the federal estate and gift tax laws.



These changes may be important to you, so what follows is a summary, and this month's insert contains a quiz to help you find out if the law changes mean something good or potentially bad for you.

The increase in the estate tax "Exemption" which is more fully discussed below, is relevant to all taxpayers, not just those with assets exceeding the Exemption Amount.

Some taxpayers may benefit from making gifts to utilize the increased Exemption before it expires. Other taxpayers may benefit significantly from designing or re-designing their estate plans to include assets in their estates in order to obtain a step-up in income tax basis.

Anyone who is unsure if his or her estate plan has the necessary provisions to maximize the tax savings created by the Act should have it reviewed.

So first, and to help you to know, here is a brief review: The new tax law doubled the amount of property that an individual can transfer (during life or at death) without incurring federal estate, gift or generation-skipping transfer tax, the "Exemption", from \$5,490,000 in 2017 to **\$11,180,000** in 2018. It's also indexed for inflation thereafter...at least temporarily.

As in the prior law, the Exemption Amount is "portable" for estate and gift tax purposes (but not generation-skipping transfer tax purposes), meaning that any unused Exemption Amount on the first spouse's death may be transferred to a surviving spouse.

Article Continued on Page 3

SPRING 2018

Secrets and Info Inside This Issue

Page 1 – Does The New Tax Law Help Or Hurt You?

Page 1 – More Life Hacks

Page 2 – Complimentary Call In Hours

Page 2 – Our Own Whitney O'Reilly & Her Family

Page 2 – Star Wars Movie Premiere Fundraiser

Page 2 – Organic Food

Page 3 – Boot Camp for Estate Administration

Page 4 – Caregiver Resources

In This Month's Insert:

Take the Tax Time Bomb Quiz!

Everyday Life Hacks & Cheats | Travel – If you have trouble locating your luggage on the baggage claim carousel, tie a piece of fabric on the handle. You'll be able to spot it a lot sooner!

Household – Try ironing the inside of the shirt where the buttons are connected – it's easier than trying to go around all the buttons.

Decluttering – Try folding your clothes so they sit vertically in the drawer. You'll see all your choices at the same time. And, you'll save on space. Search the "KonMari method" on YouTube for a demo video!

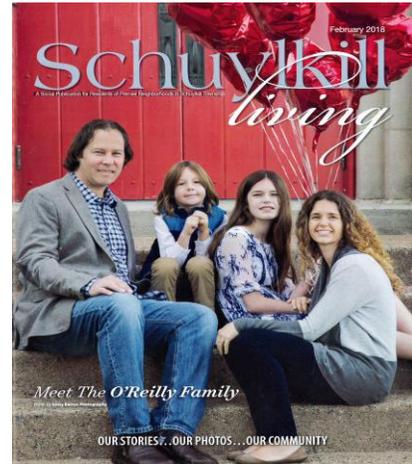
Tech: Are you constantly breaking charger cords? Use a spring from the inside of an old pen to keep the cord from breaking.

Complimentary Attorney Call In Hours: Mark Your Calendar for May 2, 2018

Have a quick question about your estate plan, elder law, being an executor or trustee, and/or changes in the estate or inheritance tax laws? We've set aside call in hours on May 2nd as a bonus for our existing clients. These call in times are limited and are on a first come/first served basis. You will have up to ten minutes of free attorney time but note that charges may apply if you need formal legal representation or help. As always, you will never be charged unless you agree to the fee in advance.

CLIENT BONUS CALL IN HOURS:
Wednesday, May 2 from 11:00 am to 1:00 pm.
To get your free call dial 610-933-8069.
This is an exclusive UTBF client benefit.

In The News: Attorney Whitney O'Reilly, her husband (and Sly Fox Brewery's brewmaster) Brian, and children, Paolo and Patience, appeared in the February edition of Schuylkill Living Magazine!



Star Wars!! UTBF hosted a client and staff appreciation night/fundraiser for Chester County Community Foundation through the Frees Family Fund to benefit the Chester County Food Bank. We sold out a theatre (Regal in Downingtown on December 14th 2017) to preview the latest Star Wars movie the day before the film's release! We ran a raffle to give away prizes for those who brought food donations. Two car trunks were filled with canned goods for the Chester County Food Bank and as of the date of this newsletter, a donation of \$2,500 was raised. We are planning to host another "FUN-draiser" in 2018, so please check emails and newsletters for any details!

We would like to thank everyone who donated, even if you were not able to make the movie premiere. Another big thank you to Karen Simmons, Stephenie Stevens and Hailey Blessing of the Chester County Community Foundation and to the Chester County Food Bank representatives Larry Welsch and Norm Horn who helped everything come together so smoothly.



Organic Foods: What Really Matters | Do you have to eat organic produce to be healthy? Does organic produce taste better? David Frees interviewed his lovely wife, Robin, about these questions and many others, with Somnath Sikdar on their In Top Form show. Here is a link to the interview: <http://bit.ly/UTBForganic>

Organic produce is found in many local grocery stores. Whole Foods and Aldi in particular are known to have competitive pricing on organic produce. Review the "Clean 15 Guide" to see which items you can safely consume without being organic.



The "Dirty Dozen Guide" lets you know which non-organic produce to always try to avoid eating due to the large amount of pesticides.

During the interview Robin mentions the Environmental Working Group's Clean 15 and Dirty Dozen Guides. You are able to download this list at any time at: <http://bit.ly/UTBForganicguide>

David & Robin Frees and Som Sikdar on the set of the In Top Form Show

New Tax Law (Continued from Page 1) NOTE: This is not automatic and requires the surviving spouse to file a timely federal estate tax return (that means within 9 months or during an extension period of six additional months). Accordingly, a married couple can now exclude up to **\$22,360,000** in assets from estate, gift, and generation-skipping transfer tax. NOTE: The increased Exemption “sunsets” or disappears at the end of 2025 and will revert back to the \$5,490,000 (indexed for inflation). This change in the law creates both a significant opportunity and a limited window during which estate plans can be modified to maximize the tax savings created by the Act.

In the past, when the Exemption was lower, and the estate tax rate much higher, estate plans (perhaps even yours) were often designed to exclude assets from a taxpayer’s estate so that the assets would not be subject to estate tax at the taxpayer’s death or at the death of the second spouse. However, most assets that are included in a taxpayer’s estate (or the spouse’s estate) receive a basis adjustment for income tax purposes at the taxpayer’s death to date of death value (resulting in a basis “step-up” if the date of death value exceeds the income tax basis).

Thus, a taxpayer with assets valued at less than the current Exemption of 11.2 million dollars may benefit from an estate plan that actually and intentionally includes all of those assets in the taxpayer’s estate at death in order to achieve a step-up in income tax basis.

Doing so reduces the capital gains tax on appreciated assets that might otherwise be payable by the taxpayer’s heirs and without incurring any estate tax. For example, marital and credit bypass trusts (under wills and living trusts) as well as irrevocable trusts were often set up for spouses or children and/or grandchildren to hold assets that were not subject to estate taxes at the death of the beneficiary; therefore, the assets did not receive a step-up in basis for income tax purposes on the beneficiary’s death.

It may be beneficial to review these types of plans and irrevocable trusts to determine if a modification could result in income tax savings, if estate taxes are no longer a concern due to the increased estate tax Exemption. In addition, if a plan sets aside assets equal to the Exemption for the benefit of descendants and not for the surviving spouse (which is often the case when you have remarried and spouses have children by prior marriages), this amount may now be overfunded as to descendants, due to the significant increase in the Exemption, with the result of fewer assets passing to or for the benefit of the surviving spouse.

If you are very wealthy and disposed toward gifting to your children and heirs, the current law provides, during the years 2018 to 2025, a limited window under which married taxpayers can gift up to \$22,360,000 in assets thereby removing such assets (and any appreciation) from the transfer tax system. The benefit of shielding those assets from estate, gift and generation-skipping transfer tax must be carefully weighed against the savings in capital gains tax if those assets were instead retained in the taxpayer’s estate to achieve a step-up in income tax basis. Again, the new law offers some very exciting opportunities. However, knowing if you can or should change your plan is difficult and a bit complicated. To help you decide, see our quiz in the insert.

If you have any questions, please call 610-933-8069 to set up an appointment for a telephone conference. After that call we should know whether or not you need to adjust or redesign your plan. Finally, while redoing an estate plan can be costly and require a bit of time and energy on your part, it can result in the protection of assets and/or very significant savings for your spouse, children, and heirs.

This publication is intended to educate the general public about estate and trust planning. It is not intended to be legal advice. Every case is different. Before acting on any information in this newsletter, please seek and retain an attorney.

On April 20th, Attorneys David Frees and Whitney O’Reilly will be teaching part of the **Estate Administration Boot Camp** course run by National Business Institute (full course is April 19 & 20). It’s a comprehensive seminar designed for attorneys, tax professionals, accountants, financial planners, trust officers/administrators/managers, and paralegals. All the skills you need to administer estates that include trusts and/or business interests, without a hitch, will be presented.

Want to attend? <http://bit.ly/2GAFnpf>

Photo by [Andrei Stratu](#) on [Unsplash](#)



Resources for You, When You're the Caregiver:

When you are caring for a loved one, it can be a very stressful, but deeply satisfying time. In order to be able to provide that care, you need to take care of yourself first. Make sure you get your annual preventive health care check ups and try to exercise on a regular basis, even if it's just a short walk each day.

If you start feeling down or frustrated, consider joining a support group, or talk to someone close to you. Ask for help! There are services like meal delivery or home health care that may give you the opportunity to relax, or catch up on something you've been neglecting, while still making sure your loved one is comfortable.

Here's a link to an article we posted on our website with resources and more information that we hope you find really helpful:

<http://bit.ly/UTBFCare>



Coming Soon in UTBF News & Updates

- Summer recipes and entertaining ideas
- Attorney complimentary call in time
- The clauses you should never leave out of your estate plan

Editor-in-Chief:
Lisa K. Snyder
610-933-8069

You cannot escape the responsibility
of tomorrow by evading it today.

- Abraham Lincoln

Have The U.S. Supreme Court and The New Tax Law Turned Your Will, or Entire Estate Plan Into A Ticking Time Bomb?

For most people, the law is a benefit, not a serious problem. But...

If you did your planning after 2012, and you're not remarried, then with a few changes in your will or trusts, you might be able to avoid all federal estate taxes AND give your heirs a very valuable "step up in basis" that will save them thousands to millions of dollars of income taxes following your death.

But for some people the situation is quite dire...and requires immediate attention.

You see, while most changes in the new tax law help (temporarily since Congress did not make them permanent) there are a few types of estate plans that were very smart at the time, but that no longer work **and might actually create a real catastrophe for the families involved.**

To help you to know whether you're all set OR you have a problem, we've created a quick Estate Planning Time Bomb quiz. **It only takes a few minutes and you'll either feel much better OR know that you need an appointment right away.**

Estate Plan "Time Bomb" Quiz

Q1: Was your will or trust done before 2012? Yes No (circle one)

Q2: Do you have an IRA or retirement accounts that are collectively worth more than \$600,000 dollars that you want to protect for your heirs? Yes No (circle one)

Q3: If yes, do you have a special IRA trust to protect those assets (it would have been done only after 2014). Yes No (circle one)

Q4: Are you re-married with children from a prior marriage?

Yes No (circle one)

Q5: Does your will contain a marital and credit shelter trust (sometimes called an A/B trust arrangement done before 2017?)

Yes No (circle one)

What does the quiz tell you? Find out right now...

Your Quiz results and recommendations:

If you answered yes to any one of Q1, Q4, or Q5, you may have a “time bomb” on your hands and should have your will and/or trusts updated or reviewed immediately.

If you answered yes to two or more of these, it’s probably essential to act right away as the legal changes and/or changes in your personal circumstance (or both combined) might mean that your estate plan is not just out of date but dangerous and unlikely to do what you want and need it to do.

If you answered yes to Q2, and you’re interested in protecting your children or heirs inherited IRAs from unnecessary taxation, marital claims, and/or other business or personal lawsuits and claims, then you may, thanks to a recent Supreme Court case, need to add an IRA trust to your estate plan.

What to do now: If you feel that your plan is: 1) a “time bomb” thanks to the new law, 2) dangerously out of date, 3) you want to use the new law to get your heirs the highest tax basis possible, or 4) you need an IRA trust or upgrade, the first step is to call Lisa, Tammy or Kara at 610-933-8069 to get set up with a telephone call or appointment with one of the trust and estate lawyers who are helping clients through these legal and tax changes.

Existing clients will receive a discount for all appointments booked for the limited number of UPDATE Appointments in May, June or July. Call now to save your spot and to lock in your client discount.

Elder Law & The Return of The House Call

Do You Have A Spouse, Friend or Loved One Who Needs To Protect The House or Other Assets From The High Costs Of Nursing Home Care?

If the inability to travel is holding them back from this important planning, we do have a new program with a limited number of spots.

To find out more [click here](#) to watch a quick video on the program and how it works, or type: <http://bit.ly/MobileElderLaw>