



# 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](http://utbf.com/trust-estate)

| [paestateplanners.com](http://paestateplanners.com)

| [paelderlawsolutions.com](http://paelderlawsolutions.com)

## Don't Know What "Tax Allocation" Means In Your Will? - That Could Be Trouble | By: Douglas L. Kaune

Most people do not realize that they can choose which beneficiaries will be responsible for paying the PA Inheritance Tax and Federal Estate Tax on their taxable estate. Many wills are written automatically and sometimes incorrectly to say that the taxes are to be paid from the residue/remainder of the probate estate. Therefore, you could unexpectedly lay the entire tax burden on the shoulders of the people who are beneficiaries under the will or trust even though they are not actually receiving all of the taxable assets.

There are several different ways you can leave assets to someone other than those listed as the remainder beneficiaries of your estate. Here are some examples to consider:

1. You can name other beneficiaries of specific assets in your will or your other trusts.
2. You could own joint accounts with other individuals, that will transfer directly to them (but will still trigger tax)
3. You could name other beneficiaries on an IRA or 401K, annuity or stock/mutual fund account (where tax is also due at death).



Depending on your particular circumstances, the PA Inheritance Tax and Federal Estate Tax on those assets could be tens or hundreds of thousands or even millions of dollars. You should be careful to consider structuring the tax clause to make the beneficiaries of specific gifts or non-probate assets responsible for paying the tax on what they actually receive. If you do not make this adjustment and the gifts listed above are substantial, your remainder beneficiaries (under your will) could end up paying a hefty tax bill for assets that they do not receive.

So, consider your planning and who will be inheriting your assets, wherever situated, to determine if an adjustment of the tax clause in your will or trust is in order.

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## SUMMER 2017

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**See Our Insert For Free Q & A Call.**

## Everyday Life Hacks & Cheats | Tips for your iPhone

Did you know that you can force multiple apps to close at the same time by using two or three fingers to swipe up? Having too many apps open is a drain on the battery, double click on the home button and see all the apps you have open and try this tip.



Don't ever delete your texts but need to find one? Use the search bar at the top of the message app to enter in a key word from the message you are seeking. Don't see the search bar? Pull/swipe down to reveal it.

If your phone doesn't unlock easily with your finger print, try adding the same finger print two or three times. The more information "Touch ID" has about your print patterns, the easier it will be to recognize your print. Go to Settings > Touch ID & Passcode > Add a fingerprint.

**Tax Clause (continued from Page 1)** If you are worried about this tax clause question, please call 610-933-8069, and as a client, we can review your will at no charge.



To read similar articles, please go to my blog by [clicking here](#) or by typing in: <http://bit.ly/KauneBlog> . I also publish a monthly e-newsletter that addresses elder law and estate planning matters and would be happy to add you to the email list. If you would like to be added, please call the office and give us your email address. Or go to <http://bit.ly/dougkaune> to sign up and read my most recent articles on the Pa Elder Law Solutions website.

**Summer Picnic Recipe! |** When we found out that July is “Picnic Month”, we couldn’t wait to share this Snickerdoodle Biscuit Recipe we adapted from Cast Iron Baking. These biscuits are perfect hot out of the oven or for a picnic with jam. Make these are you’re a hero.



Photo Credit: Amanda Snyder

#### Ingredients for dough

2 cups of all -purpose flour  
1 tbsp baking powder  
1/2 tsp sugar  
3/4 tsp salt (kosher salt optional)  
1/2 cup cold unsalted butter, cubed  
1 cup whole buttermilk  
1 tbsp unsalted butter, melted

#### Ingredients for topping

1/2 tsp ground cinnamon  
1 tbsp sugar  
optional - add in 1/4 tsp cardamom

Preheat oven to 425 degrees. For the dough: In a large bowl, whisk flour, baking powder, 1/2 tsp of sugar, and salt. Use pastry blender (or two forks) to cut in cold butter until mixture is crumbly. Gradually add 3/4 cup buttermilk, stir until dry ingredients are moistened. Add remaining 1/4 cup of buttermilk, if needed. On a lightly floured surface, knead dough gently 4 or 5 times. Roll dough 3/4 inch thick, brush dough with melted butter.

For the topping: In a small bowl, combine 1 tbsp sugar, cinnamon (and optional cardamom). Sprinkle the mixture over the dough. Fold dough in half, roll 3/4 inch thick. Use a 2 1/2 inch cutter dipped in flour, cut 8 biscuits, rerolling scraps once.

Place biscuits in a 12-inch cast-iron skillet or 12-inch heavy frying pan. Sprinkle with remaining cinnamon mixture. Bake until lightly browned, about 17 minutes. Serve as is or try with grass fed butter, raspberry or strawberry jam.

### **TOP 6 BURGER TIPS: August 31<sup>st</sup> is Burger Day, make your burgers the best on the block!**

1. Have your butcher grind a special mix for you. (No butcher? – Get One!); Try 1/2 sirloin and 1/2 brisket or ground short rib.
2. Don’t salt the beef until patty is fully formed.
3. Keep burger patties super cold until ready to grill.
4. Nervous flippers are right, do so as often as you’d like, you end up with a more evenly cooked burger
5. Bun Selection is very important. If you haven’t before, try a potato or kaiser roll, butter both sides, and either grill or fry briefly on stove for great flavor and a crisp bun.
6. Toppings – Consider adding a homemade Russian dressing to your regular ketchup, mustard and mayo routine.



## CLIENT SPOTLIGHT | Steve Tullman

Steve Tullman has been the CEO of Phoenixville Hospital since 2004. During his tenure, the hospital has greatly expanded its technological and clinical capabilities by adding exceptional physicians to its medical staff and centers of excellence like a Robotic Surgery Center and state-of-the-art cardiac catheterization labs. The hospital's "footprint" also expanded, when it added a new patient tower, parking garage and helipad to its main campus in 2009. In addition, Phoenixville Hospital also owns and operates three outpatient surgery centers in Limerick, Wayne, and Blue Bell. Steve and his wife Carol are active in the Chester County community and have supported local organizations such as the Phoenixville YMCA, Longwood Gardens, United Way of Chester County and the Chester County Art Association.

Thanks to Steve for answering a few questions for us.

What are you reading? *Grit* by Angela Duckworth

Favorite city? Louisville, Kentucky

What do you never travel without? My iPhone

Favorite restaurant? Shibuya in Calabasas, CA

Favorite movie? *Lion*

Best advice you've received? Take up yoga

What is your most treasured possession? My memories

Where are you happiest? At home with my family

What living person do you admire the most? My daughter

Favorite philanthropy? Anything to do with helping young people get a good start in life.



**Summer Dates to Celebrate and Prizes:** Be aware that June is Iced Tea Month, and because July is Picnic month, we have burger tips as well as picnic-worthy recipes in this issue.

June 21 - **Selfie day** - Any clients that sends a selfie to Lisa ([lsnyder@utbf.com](mailto:lsnyder@utbf.com)) will get a gift! Make it a good one as we will use your picture in our social media!

June 30 – **Social Media Day** - Like our UTBF Facebook page and leave a comment, and win one of five gifts.

July 4 – **Independence Day** – Say No More!

July 19 – **Daiquiri Day** – We don't know if it's true or not but we've been told that daiquiris are making a comeback. If you try the recipe on Page 4, let us know on our Facebook page: [www.facebook.com/UTBFTrustEstates](https://www.facebook.com/UTBFTrustEstates) and like our page to join our community.

July 30 – **Paperback Book Day** – Donate the books you no longer read that are cluttering your home. Better World Books has a bright green drop box at the Shoppes of Valley Forge, 270 Schuylkill Rd in Phoenixville. Or bring them to our office the next time you are in the neighborhood and we'll take care of it for you.

August 10 – **Smores Day** – send us a picture of your smore along with the recipe to share by August 19 which is **Photography Day** to Lisa at [lsnyder@utbf.com](mailto:lsnyder@utbf.com). Your children or grandchildren will love this activity!



Photo Credit: Jerry Snyder

## Summer Drink Recipes | The Comeback of the Daiquiri!

Did you know that “true daiquiris” are not the overly sweet slushies that were popular in the 70’s and 80’s? Instead, true daiquiris consist of only rum, sugar and lime. Although sometimes still served frozen or atop small mounds of crushed ice, they are decidedly different and altogether classier than their Slurpee-like alter egos. This drink recipe is so simple yet some bartenders consider it the ultimate test of their skills! Try this refreshing recipe, making sure you use fresh ripe limes or your drink may be too sour!

**The Original:** In a cocktail shaker, add 2 ounces white rum, 1 ounce lime juice and 1 ounce simple syrup. Add ice and shake well. Strain into a chilled coupe glass and garnish with a lime slice

You could muddle fresh strawberries in with the rum before you add to the cocktail Shaker and create a “true” strawberry daiquiri.

When ordering a frozen daiquiri be sure to ask if it’s made with fresh lime juice and simple syrup, rather than the processed syrupy mix.

For more information on the history of daiquiris, go to [www.tastingtable.com/drink](http://www.tastingtable.com/drink). Don’t forget Daiquiri Day is July 19<sup>th</sup>!



Photo Courtesy of Tastingtable.com

### Coming Soon in UTBF News & Updates

- **Beware & Share – “7 Estate Planning Mistakes & How To Avoid Them”**
- **Train Your Heirs – Discover more resources from UTBF for your surviving spouse and heirs**

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**Answer from insert:** D) The quick and correct answer is that Pennsylvania does not impose inheritance taxes on life insurance BUT the federal estate tax system does tax life insurance owned or controlled by the decedent. If your estate exceeds \$5,490,000.00 and you own life insurance, it may be taxable, so call us at 610-933-8069.

## Q & A - Your Questions Answered - Ever Heard of Trust Protectors? Who are They?

### Q. What is a Trust Protector and do I need one?

A. If you created a trust during your lifetime (an inter vivos trust), or a trust under your will (a testamentary trust), you should have a Trust Protector. A trustee makes distributions to the beneficiaries of the trust. A Trust Protector is someone, other than the trustee, who is there to intervene in a situation regarding the trust in order to help fix the issue or mediate a dispute, sometimes between the trustee and the beneficiaries of the trust.

For years people have used and understood the role of a trustee. However, the Trust Protector role is fairly new in the United States. The Trust Protector monitors the actions of the trustee.

Review the following Trust Protector powers with your attorney to see if you should add a Trust Protector to your will or trust:

- Act as a check and balance to the trustee(s)
- Remove and replace the trustee(s) at will or if responsibilities of the trustee are not being met
- Serve as a mediator for squabbling trustees and beneficiaries
- Veto large disbursements in accordance with the trust
- Change the trust's state or "situs" to minimize taxes or to achieve other benefits
- Veto questionable investment decisions and beneficiary distributions
- Address legal challenges to the trust
- Terminate a dwindling or unnecessary trust

**If you have a trust (or a trust in your will) and don't have a Trust Protector, please feel free to contact our office at (610) 933-8069 for an appointment to discuss your situation.**

### Complimentary Attorney Call In Hours for Our Clients: Mark Your Calendar for Tuesday, August 8, 2017

Have a quick question about your will, estate plan, elder law, being an executor or trustee, and/or changes in the estate or inheritance tax laws?

We have free call in hours as a bonus for our existing clients. These call-in times are limited and are on a first come/first served basis.

You can have up to ten minutes of free attorney time but note that charges may apply if you need formal legal representation or help.

Call in for Dave, Doug or Whitney anytime during the time below. As always, you will never be charged unless you agree to the fee in advance.

**FREE CLIENT BONUS CALL IN HOURS:  
August 8 from 11:00 am to 1:00 pm.  
610-933-8069  
This is an exclusive UTBF client benefit.**



## **Q. It isn't Fair. My Parents Paid Tax and Now I Do to Too. Is my Inheritance Really Taxed Twice?**

**A:** When your parent dies in Pennsylvania, you (as a beneficiary), or the estate, has to pay an inheritance tax on those assets. This inheritance tax is also known as the state death tax. There are less than 20 states that have some variation of an inheritance or estate tax. In Pennsylvania, the tax rate depends on who receives the asset.

During your parent's lifetimes, they paid tax on the assets they acquired. So how does Pennsylvania have the ability to tax that asset again when a parent dies? This theory is known as double taxation and the state argues that the income tax was a tax first on the income made by your parents and that the inheritance tax is a new tax borne by the recipient, as in you as the inheritor. They say this is two different taxes and not a double taxation on the same asset. Many states have abandoned this theory and no longer impose a state death tax of any sort.

There is also the federal estate tax and the generation skipping transfer tax that come into play when someone dies but we will talk about those taxes in a future issue of the newsletter.

### **TEST YOUR PENNSYLVANIA INHERITANCE TAX IQ**

Q. Is Life Insurance Subject to:

- a) PA Inheritance Tax Only
- b) PA Inheritance Tax and Federal Estate Tax
- c) No PA Inheritance Tax or Federal Estate Tax
- d) Federal Estate Tax Only

(See Page 4 of Newsletter for the Answer)

## **Have a College or High School Grad In The Class of 2017?**

### **Our College/HighSchool Grad - "Welcome To The Real World Package" Protects Your Grad and You!**

If you have a child or grandchild finishing high school or college this summer and entering college the "real world" you may not realize how important it is to get them to do a power of attorney, medical power, HIPPA authorization and perhaps even a simple will.

You see, once your grad turns 18 they have reached majority and you can no longer handle their finances, make emergency (or non-emergency) medical decisions, or do many things you may be taking for granted - like getting their grades or seeing their finances.

Also, it may be time to title that car into their own name and to remove them from your own policy (thus reducing your personal liability exposure). While you're at it, if they are moving into their own home or an apartment, should they have a renter's insurance policy?

Your grad can have a legal consult on these and other matters and get all of the documents they need. It's no gold Cross® pen but it's an excellent gift for a new grad. **There are two versions - one with a will included and one without. For more details and pricing call Lisa, Tammy, or Kara at 610-933-8069 and tell them you want to buy your grad a "Welcome To The Real World Package".**