

Gustafson Gervasi Law Office, LLC

Winter 2015 Newsletter

Greetings! My hope is that this newsletter finds you and your loved ones doing well in 2015. Once a year I reach out to clients, colleagues and seminar attendees to provide useful tips and suggestions in the area of illness, death and taxes. If you no longer wish to receive this mailing, or if you have a change of address, please contact me at Melinda@gustafsonlegal.com or 608-274-7192. You can receive the latest news, updates, and occasional cartoon by “liking” our page on Facebook. Enjoy, and may the year ahead be filled with wonder and joy.

Taxes, Taxes, Taxes

With the welcome of a new year come updates to the federal tax laws. Key numbers to keep in mind:

- Federal estate tax exemption is now \$5.4 million. If your total estate is worth less than this number, federal estate taxes may likely not be a concern.
- Gift tax – the annual exclusion remains at \$14,000 for yet another year. That means any one person can give another person \$14,000 a year without having to notify the IRS and pay a tax. Exceptions exist, so please consult a CPA for advice related to your specific situation. Gift tax issues are the number one unexpected tax liability I see with clients – make sure you understand the ins and outs.
- Income taxes are owed by an estate if the estate (day after date of death onward) had \$600 or more in income for 2014. Income can be generated from the sale of assets, such as stocks – an important fact for people acting as a Personal Representative in an estate.

2 for 1 Offer on Middle Class Philanthropist: How Anyone Can Leave a Legacy by Melinda Gustafson Gervasi

My office has a limited supply of copies of the book I released at the end of 2013, and I am happy to offer 2 for the price of 1 while supplies last. The cost is \$10, which includes tax and free shipping. *Middle Class Philanthropist: How anyone can leave a legacy* is a small book designed to educate and inspire the average person to make an end-of-life gift to a favorite cause or nonprofit. Also, the book encourages nonprofit development staff to re-examine who they consider to be a philanthropist. One can also obtain a copy through on-line book sellers such as Amazon and Barnes & Noble.

Note for those Recently Divorced

In the event of divorce or annulment of your marriage, your Power of Attorney for health care will be revoked under Wis. Stat. §155.40(2) even if you have successors named.

Lost Wills! Where is Yours?

Without fail, once a month I see an ad placed in a lawyer newsletter or magazine asking “lost will, did you draft a will for” followed by the name of a recently deceased person. Do you know where your will is? Have you let your Personal Representative know where to find it? If not, add that to your 2015 To-Do List! Why? Without a will State statutes will control the distribution of your probate property, which may or may not follow your wishes. My personal method of organizing estate planning papers involves a three-ring binder and subject dividers – think back to high school academics. Instead of a divider for English, Math, and Science, mine says: Wills, Powers of Attorney, Beneficiary Forms, People to Contact, Authorization for Final Disposition, and Other Notes. My husband and I do not keep our original wills in the binder, but rather on file at the Dane County Courthouse, in a sealed envelope, for safe-keeping. The binder includes copies of the wills with this fact stamped on the top of the document. To find out more about safekeeping of wills at the courthouse, please contact the County Courthouse where you reside for specifics – they vary between counties.

Pet Lovers Take Note

2014 proved to be a difficult year for me personally. After many years of failing health, my mother died in mid-February. As her only child, I faced many challenges. As an estate planning and probate attorney many of the associated tasks were easier for me given my knowledge. But there was one lesson that stood out above the rest – have a plan for the care of your pets if you become too ill to care for them or you pass away. With my mother's passing, I needed to find a new home for her two 12 year old male, diabetic cats. It was not easy, but in the end Cully and Buddy found a new, loving home. For some clients, a pet trust may be a smart idea. A Pet Trust allows you to safely set aside a specified amount of money for the care of your animals. You name a caretaker, trustee and successors as well as designate where any remaining funds would go upon the last animals death. Read more about my efforts to place Cully and Buddy on my blog, which is named Navigator. There I take a more personal approach to writing about the lessons I learn in the world of estate planning. You can find the blog at Gustafsonlegal.blogspot.com, and this post is titled *The Boys*, published on November 19, 2014.

Educational Seminars

Once again the new year allows me the pleasure of speaking on estate planning and probate issues at a variety of organizations. Several venues include:

- 6pm, Feb. 12th at the Verona Public Library, hosted by WWBIC.
- 6:pm, April 21st UW Extension Money Week Series.
- 6pm, May 19th at the Sun Prairie Public Library, hosted by WWBIC.

For a complete listing, visit www.gustafsonlegal.com. If your office, place of worship, or favorite nonprofit would enjoy a similar presentation, please contact me to schedule one for 2015 and beyond.