

Gustafson Law Office

Annual Newsletter

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www.gustafsonlegal.com

608-274-7192

GREETINGS!

A Lawyer With a Heart Seeks

Donations! This play on words was used during the 1990s for a heart fundraiser in D.C. I participated when I lived there, and ever since moving back home to Madison I have participated in the Heart Walk for the South Central Chapter of the American Heart Association. The reason is simple; but for a pacemaker my mother would have died in June of 2008, 6 weeks before my son, her first grandchild, was born.

Thanks to outstanding cardiac care and technology she is alive today, dishing out grandmotherly love to my two young children. Help me help others. If you can, please send a small donation (payable to the A.H.A.) to my office (313 Price Place, Suite 204, Madison, 53705) by Friday, October 12th. My goal is to raise \$10 from 50 people for a total of \$500. If you are not able to make a donation, consider walking. The event is free and will be held the morning of Saturday, October 13th at Warner Park in Madison.

Tax Update – As this newsletter is set to be mailed, the federal estate tax is once again a wild card. Current law sets the exemption level at \$5 million. That means if your net worth, at death, is less than the exemption level, no tax is owed. However, the law expires Dec. 31, 2012. Unless Congress and the President reach an agreement the new federal exemption level will fall to \$1 million on Jan. 1st,

2013. As I make final edits to this newsletter, Congress and the President are debating whether to extend the “Bush era tax cuts”. One such cut is the federal exemption. Will it stay at \$5 million? Will they set a new exemption level? No one knows yet. As this issue plays out, watch for updates on my blog, gustafsonlegal.blogspot.com

Housekeeping Matter #1: Does your PR know where to find the will?

If you died tomorrow, would your personal representative know where to find your will? Here are a few ways to ensure that he or she can find it without tearing the house apart. One, tell the PR where you keep it. Two, post a note in your wallet or an obvious place in your home (for example, the bathroom mirror) about where it is kept. And three, if you have a copy, write COPY on the top of the document and state where the original is stored.

Housekeeping Matter #2: Planning for your Digital Assets

– Welcome to the future! It is now possible to watch live events on your phone. Technology has changed our lives in many ways, and estate planning is not exempt. Maintaining a list of your on-line accounts along with passwords and PINs will save your loved ones endless energy should something happen to you. Also, listing your digital assets can be key for the less tech savvy. For example, I’ve

heard of one woman who did not realize the value of three-letter web domains her husband had purchased. Worth over \$100,000, it was an alert employee of a domain company who told the woman about the unrecognized value! Don't let something slip through the cracks. Make a record of your digital assets today.

Housekeeping Matter #3: Is it time to update your documents? I recommend that powers of attorneys be updated every 5 to 7 years. Wills and trusts should last generations, however small amendments may be needed to reflect relationship changes (marriages, births, deaths, conflicts, etc.). Don't put off changes until it is too late.

Befriend a CPA – Last fall I attended the 45th Annual CLEW Tax Workshop through the UW Law School. It was a day and a half packed full of useful information. The litany of “simple” scenarios that created tax problems was mind boggling. Examples include – not taking distributions out of a trust, transferring property to a trust and losing tax breaks, and errors in gifting. To summarize it briefly, it is always better to consult a CPA than not.

Seminars: Over the next year I am scheduled to speak at a variety of events including UW Mini Courses, UW Extension, and Money Week. A detailed schedule will be available at www.gustafsonlegal.com. If you belong to an organization / association or have an employer looking for speakers, I would be delighted to deliver a talk on Wills and Other Important Documents.

Book Recommendation: My entire life I have been a bookworm, and not even law school and legal practice dampen my desire to read. Some of those selections may interest you as well. One is *Final Rights: Reclaiming the American Way of Death*, written by Joshua Slocum and Lisa Carlson. The first half of the book discusses consumer rights in the area of funeral planning. And the second half explains common questions and how they are answered in the 50 different States (state and local rules and regulations vary). On average, the typical American plans one or two funerals in a lifetime. Experience is small, and often the final bill runs quite high. If you are looking to make informed decisions, this book is worth a read.

Writer's Corner: A love of communication is at the core of my desire to be an attorney. Currently I write two blogs and have a draft of a book in development. Set for publication in the summer of 2013 is my book on charitable giving, how anyone can be a philanthropist. You can find more of my writing at:

- The blog *Illness, Death and Taxes for the Middleclass* at gustafsonlegal.blogspot.com;
- Another blog on frugality at frugalupside.blogspot.com.

Mailing list: If you need your address updated or removed from my database, please contact me at either 608-274-7192 or admin@gustafsonlegal.com.

Best wishes,
Melinda Gustafson Gervasi, Attorney
Gustafson Law Office
313 Price Place, Suite 204
Madison, WI
608-274-7192
