



KRAMER RADIN, LLP

LAW FIRM

ESTATE PLANNING MATTERS

SPRING 2015

2015 ESTATE AND GIFT TAX UPDATE

As 2015 moves along there are several changes to the tax code that may affect your estate planning and/or the administration of an estate.

- ✓ The 2015 annual exclusion for gifts remains at \$14,000 per donee.
- ✓ The first \$147,000 of gifts to a spouse who is not a citizen of the United States are not included in the total amount of taxable gifts made during 2015.
- ✓ Estates of decedents who die during 2015 have a basic exclusion amount of \$5,430,000, up from a total of \$5,340,000 for estates of decedents who died in 2014. This means that if the decedent's estate is worth more than that exemption, the tax on the excess will be calculated at 40%.

This is a good time to review your own estate plan. Many married couples are finding that with such a large exemption, having the standard A-B Trust, which was almost a necessity in the past, no longer makes fiscal sense. There may be other reasons to maintain your A-B Trust, but in light of the continuing changes in the trusts and estate law arena, we suggest meeting with you about every 3 years in order to review your current estate plan.

ARE YOU PREPARED FOR AN EMERGENCY?

Just like preventive medicine, we believe "preventive planning" is necessary. Expect the best but plan for problem situations that can arise unexpectedly. A trip and fall is not a planned occurrence but you can plan ahead for when/if it happens.

During a recent Palo Alto Fire Department presentation questions were raised and answered about what information first responders need in the event of an emergency and how they can obtain it.

First responders need to obtain medical information including current medications and their dosages, existing chronic medical conditions and/or allergies and a pre-hospital admittance Do Not Resuscitate (DNR).

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The legal services of Kramer Radin, LLP include estate planning, trusts, probate and trust administration, related tax matters, litigation and dispute resolution, elder law, Medi-Cal planning, and conservatorships.

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If you are away from home first responders will search your wallet or purse for the information either on a flash drive (preferably pdf) or a hard copy. If you are at home, they will look first on the top shelf in your refrigerator for either an ICE (In Case of Emergency) packet or a Vial of Life that contains the necessary information including chronic medical conditions, current medications and their dosages as well as known allergies. By planning ahead and providing the current information for first responders to treat you, you may avert a life-threatening situation.



When you reach the emergency room, they will want all of the above plus an Advance Health Care Directive, evidence of your medical insurance coverage, and your primary physician's name. They will also ask if you have a POLST (Physician Order for Life Sustaining Treatment).

Would they be able to find your information or is it "safely" stashed away where only you know where it is? Is it up to date?

If you haven't updated your Advance Health Care Directive or other estate planning documents in the last several years, once again we recommend you call our office to schedule an appointment with one of our estate planning attorneys to review your existing plan to ensure your plan is current.

THE DIGITAL AGE ADDS RESPONSIBILITIES FOR AGENTS

We are in the digital age. This is not a news flash but a statement of fact. Therefore, your financial agent's responsibilities must include your digital accounts as well as your physical accounts, and your estate planning documents should include reference to management of digital assets.

It is necessary for someone to be able to access your bank account(s) to pay the bills if you are not able to do so yourself, but, would that person be able to manage your Linked-In, Facebook, Twitter, Pinterest or Netflix accounts in the event of your disability? Would he/she know your log-in and password to discontinue automatic payments for PG&E or be able to close the account if you need to move from your home?

In order to protect your digital legacy you need to list everything you access digitally or electronically with actual monetary value (such as purchased software, music, books, movies, etc.) as well as everything that holds significant emotional worth (such as family photos, important emails, etc.) It is suggested that you track this list for at least a month or more to be certain you have all of your accounts listed, including those you access from devices other than your computer (e.g. iPhone, Kindle, iPad, Wii, WiFi). The list should include for each: your respective log-in and password as well as the security questions and your answers.



"Yesterday is history, tomorrow is a mystery and today is a gift;
that is why they call it the present."

– Eleanor Roosevelt

Next you need to determine what you want done with each of your online accounts/digital assets. Which should be closed? Which need to be transferred to someone else in order to settle your estate? While state and federal laws governing online accounts and digital assets are still developing, the more detail you provide concerning how you want things handled, the better. Some online companies (most recently such notables as Facebook and Google) provide ways for you to nominate a “digital executor” for accessing and managing your accounts after death. Please be aware that the nomination should be coordinated with your estate planning documents in order to avoid conflicts.

Your wishes for each account should be put in writing including who should receive the family photos or other memorabilia stored digitally. The more explicit your directions to your agent are, the more likely he or she will be able to accomplish your wishes.

Again, your estate planning documents should be reviewed every couple years to ensure that they are up to date and do provide for the handling of your digital assets.

SERIOUS ILLNESS REQUIRES A SPECIAL KIND OF CARE

You or your loved one might be experiencing a serious illness. That experience is bad enough but in addition to dealing with the illness itself, going through such an experience often increases the anxiety level within an already strained family. There are, however, services available to help you and your family through this very stressful time.

Palliative care is expert medical care dedicated to relieving the pain, distress and other symptoms that can accompany serious illness. It is specialized and holistic care aimed at treating the way a serious illness impacts patients and their families – including the physical, emotional, social and spiritual aspects of life.

The Palliative Care Center Silicon Valley (PCCSV) in San Jose is the first and only non-profit, independent, community-based, licensed outpatient palliative care center of its kind in California. Patients treated at PCCSV may have one or more of a number of serious or chronic life-threatening illnesses, such as cancer, congestive heart failure, chronic obstructive pulmonary disease, kidney failure or Alzheimer’s disease, among others.

When patients and families make decisions regarding treatment options, the PCCSV physicians, nurses and social workers can help facilitate discussions and help minimize the distress that can accompany such discussions. PCCSV works collaboratively with other healthcare practitioners to provide the extra layer of support that patients and families often need while undergoing other treatments. While your physician is working to treat the disease, PCCSV focuses its efforts on relieving the pain and emotional distress caused by the disease.

For more information or to schedule an appointment, you may visit www.pccsv.org or call 408-277-7777.

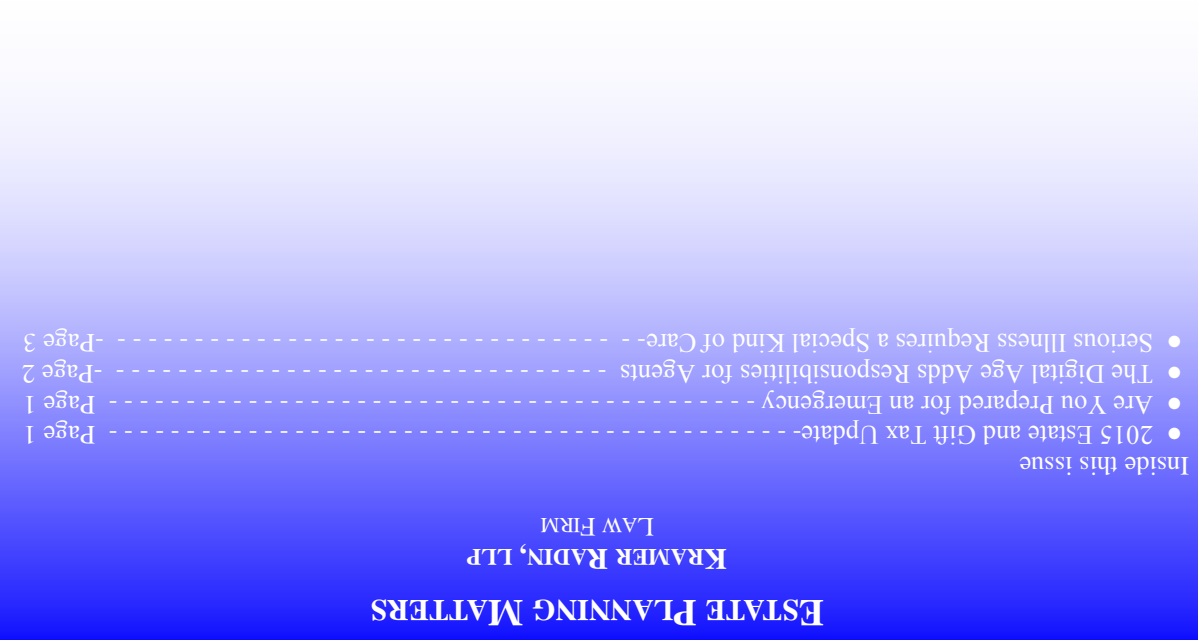
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