What's Going On At Nash Nash Bean & Ford

This Month's Firm Focus

Last minute 2010 legislation updates estate tax provisions … Two year extension of the law

After spending 2010 without any estate tax, it appeared that not only would the "death tax" return in 2011, but it would be revived at 2001 levels: an estate tax exemption of only $1 million exemption and top estate tax rate of 55%.

Following a last-minute compromise between Republicans and the White House, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 – or "TRA 2010" - was signed on December 17. The law included several provisions over a variety of areas, including updates to the estate tax laws, exemptions and rates.

What does this new law mean to you and your estate plan?

While the estate tax has returned, TRA 2010 updates the estate tax exemption for individuals who die in 2011 and 2012 to $5 million. If the value of the estate exceeds the $5 million exemption, the remainder of the estate will be subject to a federal tax rate of 35%.

In addition to raising the exemption amount and lowering the tax rate, the updated law includes a new **"portability"** provision for 2011 and 2012. This action allows any unused portion of the $5 million estate tax exemption to be transferred to the surviving spouse to use, in addition to his or her own $5 million exemption. However, a major quirk of the current law requires both spouses to die between January 1, 2011 and December 31, 2012 for the transfer to be applied to their estates.

With this newest estate tax revision, it is important to consider how your estate plan fits into the new law. Even if you believe your estate will be less than $5 million it is important to plan for the distribution of your assets in the manner in which you desire. Your estate plan can ensure the future financial health of your spouse, children, and grandchildren, while maintaining and managing your assets and legacy as you decide. The tax changes also give you a good opportunity to review changes that have occurred in your own life or family: births, marriage or re-marriage, divorce, even deaths.

It is important to remember that under the current law, the $5 million estate exemption is **only** valid for deaths occurring in 2011 and 2012. This is only a two-year extension of the law. Without further extension of the law, the estate tax will revert to $1 million exemption in 2013 with up to a 55% tax on the remainder of the estate. And, again, the portability provision applies only if the deaths of both spouses occur in 2011 and 2012.

Is it time to review *your* trust?

Times change, our lives change, and, at times, our estate plans need to change as well. While we recommend you review your estate plan every three years to ensure it continues to be properly funded and your plan still reflects your current wishes, there are other times when it is appropriate to review the terms of your plan. Some of these life milestones include:

- *Marriage*. Whether it is the marriage – or remarriage – of yourself, a child, or another person named in your trust, this milestone event can impact your plan. While marriage grants some rights to spouses, it may not automatically provide for a new spouse in the manner you desire.
- *Divorce*. Divorce can have a major impact on your estate plan, especially if the ex-spouse is named in directives or asset distributions. Whether it is your divorce or the divorce of your child, the dissolution of a marriage typically changes some goals and actions of your

plan, and we recommend reviewing your estate planning documents in a timely manner.

- *Birth or adoption of a child/grandchild*. This new member of your family can drastically change your estate plan. If it is your child, you will need to name a guardian along with updating financial documents to ensure your estate is divided according to your wishes. If it is a grandchild or another special child in your life, you will want to review your plan if you wish to name them in your estate.
- *Change in assets*. While you can add assets in the name of your trust at any time, if you have a significant change in assets, such as purchasing a business or a farm, it is important to have these items reflected in your plan. In addition, if you receive, or expect to receive, an inheritance, updating your estate plan can help you manage these funds in a thoughtful, purposeful manner.
- *Illness or disability*. A serious illness – either of yourself or a family member – may cause an unexpected impact on your estate plan. With correct planning, you can allocate your assets into a trust to safeguard your legacy, your assets and any additional external financial benefits or assistance.
- *Change in wishes*. As you age and your priorities shift and evolve, you need to revisit your estate plan to make sure the document mirrors new priorities or purposes.

To ensure your estate plan continues to reflect your current status and desires, we encourage our clients to schedule a FREE one-hour three-year-review. Of course, if you have a major change in your life, such as the circumstances listed above, we also recommend you contact us for a review at that time.

Continuing Education efforts of our attorneys:

Bob Nash and **Jim Nash** both participated in the American Law Institute/American Bar Association webinar *2010 Tax Act Impact on Estate Planning: Successfully Navigating Uncharted Waters*. Bob also participated in the Illinois Institute for Continuing Legal Education program *The Practical Lawyer's Guide to New Federal Estate Tax Legislation.*

Nash Nash Bean & Ford Happenings

Joni Conrad joins staff of NNB&F: Joni Conrad joined the firm as Marketing Coordinator on January 18. A graduate of J.D. Darnall High School, she completed her education at Gustavus Adolphus College in Minnesota. Joni most recently served as Executive Director of Rebuilding Together Geneseo/Cambridge and previously served as Marketing Coordinator for CONCERN, a child welfare agency in Pennsylvania. Joni lives in Geneseo with her husband, Robert, and two children, Austin and Britta, along with a cat named Holly. She is active in her church, is a board member with Braveheart Child Advocacy Center and Geneseo Performing Arts Council and enjoys reading, traveling and attending her children's extra-curricular activities.

Family Time. Bob and Ginny Nash have enjoyed several opportunities to share time with their family this winter. In January, they traveled to Portland, Oregon to spend a week with their son, Bob, his wife, Melissa, and their two sons Owen, 4, and Henry, 2. While it was a typical rainy Portland winter week, they found plenty of activities to keep themselves busy, including a special visit to Owen's preschool. Things did heat up a bit on their trip out to Portland, however, when their pilot announced they were making an emergency landing in Omaha, Nebraska, and that the passengers shouldn't be concerned by the fleet of fire trucks waiting to greet them on the runway. Fortunately, all was fine with the plane and the landing, and Bob and Ginny were soon on their way! In March, they were delighted to host their youngest grandson, Marty, 14 months, for a week while his parents traveled. Not wanting to miss a moment of this special week with his grandparents, Marty declined to take many naps and woke up re-energized every day at 5:30 a.m. By the end of the week, Bob had learned many new things about Marty, including that he would become a sound sleeper in a moving vehicle.

Spring break travel plans: Several of our staff took advantage of Geneseo School District's week-long spring break in mid-March. Among our travelers:

- **Curt Ford** and wife, Teri, took their sons, Tyler and Ryan, to Gulf Shores, Alabama for a week of fun and sun, along with a few rounds of golf.
- **Joni Beck** (*office assistant*) traveled with her husband, Howard, daughters, Corbyn and Andrea, and her father to the New Orleans area to visit an uncle and to see the sites.
- **Jackie Lauritzen**, (*funding assistant*) her husband, Mike, and son, Nathan, spent time site-seeing and visiting family in Arizona and California. A highlight of the trip, however, was the extra-special visit with her son, Brandon, who is stationed with the Navy in Monterey, Calif.

Appreciating the thoughts. Bob and Ginny Nash thank all their friends in the Nash Nash Bean & Ford family for the kind words, thoughts and expressions of sympathy they received following the passing of Ginny's father on December 30, 2010.

Upcoming Estate Planning seminars

We have a number of upcoming seminars scheduled for this spring and summer. Please check out our enclosed seminar schedule or log onto our website at www.nashbeanford.com.

Recipe:

Vegetable Casserole (from Joni Beck)

2 cans mixed vegetables,
or two small bags frozen
1 cup grated Velveeta cheese
1 can cream of mushroom soup
2 Tbsp. mayonnaise
1/2 small onion, chopped
1 stick margarine
1 stack pack Ritz crackers

1. If using frozen vegetables, prepare according to package directions.
2. Mix vegetables, cheese, soup, mayo and onion. Put in greased casserole dish.
3. Melt margarine and stir in crushed Ritz crackers (1 1/2 to 2 cups)
4. Spread on top of vegetables, bake 30 minutes at 350° to melt cheese.

Join our Email Club!

We are happy to offer you:

- eAlerts filled with timely and informative articles about estate planning related topics.
- Notice of upcoming FREE public seminars.
- NNB&F law firm news and events.

It's easy to join…

Visit our website at www.nashbeanford.com and click "Contact Us" in the upper right corner.

It's that simple! Please tell your friends! AND--

The Nash Nash Bean & Ford law firm will NOT share your information with anyone…ever!

Speaker's Connection

We regularly work with professionals, churches, non-profit organizations, clubs and other groups to help educate their clients and members on the principles of Estate, Tax and Business Planning. We also speak to elder organizations, such as Alzheimer's Associations, assisted living facilities and senior citizen organizations on Medicaid planning, care giving and retirement planning topics. If you would like us to provide information at your next meeting, please contact our office at 309-944-2188, 309-762-9368 or 1-800-644-5345 and ask for Joni Conrad.

For additional information, you may also log onto our website at www.nashbeanford.com, and under "Our Firm" click on Speaker Connection to view all the topics available.

Don't forget to preserve your legacy

While it is important to correctly plan and fund your trust, your legacy is about a lot more than just your financial assets. Your legacy is your stories, your experiences … it is how your family will remember you. To help preserve your emotional legacy in addition to your financial legacy, we offer several ideas for you to share with your family:

- ***Spell out your wishes in your trust***. If you want specific members of your family to receive a special heirloom, share that information in your Legacy Planning Letter in your trust. This is your chance to ensure your treasured items are distributed as you desire.
- ***Communicate your wishes with your family while you can***. Don't destroy your legacy by creating a family fight with your trust. Letting your family know your intentions ahead of time is the best way to avoid disputes after you are gone. Even if you think your plans are simple, it is best to communicate them to your family to avoid any surprises or uncertainties.
- ***Share your history and experiences with your family and future generations through the "My Legacy Workbook"*** that we have provided to you. This booklet offers questions about your life, your family, your schooling and your adult experiences, all to prompt memories and help you share your experiences with children and grandchildren. Taking time to complete these questions will create a treasured family manuscript for generations to come.

You have worked hard through-out your life to create a legacy for yourself and your family. With intention in your planning, you can make sure your family understands your wishes and celebrates your life. Good estate planning is part of your **"intentional legacy."**

To Realize

To realize the value of a sister/brother
Ask someone who doesn't have one.

To realize the value of ten years:
Ask a newly divorced couple.

To realize the value of four years:
Ask a graduate.

To realize the value of one year:
Ask a student who has failed a final exam.

To realize the value of nine months:
Ask a mother who gave birth to a stillborn.

To realize the value of one month:
Ask a mother who has given birth to
A premature baby.

To realize the value of one week:
Ask an editor of a weekly newspaper.

To realize the value of one minute:
Ask a person who has missed the train,
bus or plane.

To realize the value of one second:
Ask a person who has survived an accident.

Time waits for no one.
Treasure every moment you have.
You will treasure it even more when
You can share it with someone special.

To realize the value of a friend
or family member: LOSE ONE.

The origin of this poem is unknown,
but remember....

Hold on tight to the ones you love!