

Estate Planning Matters

KRAMER RADIN, LLP

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The information provided herein is not meant to serve as a substitute for legal advice.

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Our legal services include:
estate planning, trusts,
probate and trust
administration,
related tax matters,
real estate, employment law,
Medi-Cal planning,
litigation and dispute resolution.

CAREGIVING STRESS— HAZARDOUS TO YOUR HEALTH

A 2003 Ohio State University Medical Center six year study of elderly people caring for spouses with Alzheimer's Disease proved the old saying "stress can kill you" is true.

Stress can be defined as a physiological reaction to a threat whether the threat is real or perceived. Threats include the possibility of injury or death as well as challenges to our self-esteem or relationships to others or a disruption of our established routines. The greater the threat—the greater the level of stress.

The team of researchers at Ohio State found a chemical marker in the blood that shows a significant increase under chronic stress and is linked to an impaired immune system response in aging adults. The study found that the caregivers had a 63% higher death rate than the control group of non-caregivers.

The following strategies may help reduce caregiver stress.

- Ask for help — There are community resources available. Referrals can be obtained from Council on Aging, Alzheimer's Association, etc.
- Seek care management advice — Many non-medical home care companies have aides to help care for your loved one.
- Take time off — Find temporary substitutes. A care manager may be of help in selecting the best temporary help to give you a break.

Even with a very stressful situation, it is essential the caregiver takes care of him- or herself.

Caregiver Musts

- Ask for help
- Seek advice

WE MOVED (SLIGHTLY)

In February we moved our Campbell office from suite #204 to #206. The street address and phone remain the same (1475 S. Bascom Avenue, Campbell, 408-377-7845) .

280 Second Street, Suite 100
Los Altos, California 94022

1475 S. Bascom Avenue, Suite 206
Campbell, CA 95008



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FINANCIAL POWER OF ATTORNEY

If you become incapacitated, a Financial Power of Attorney is necessary to conduct your financial affairs for assets not included in your Revocable Living Trust including retirement accounts and life insurance policies. By giving someone you know and trust the authority to handle your financial affairs if you become incapacitated, either physically or mentally, you can feel secure.

...if you become incapacitated ...you can feel secure.

In order to protect yourself and your assets, there are certain conditions you need to consider and have spelled out in the document to protect yourself from misuse of your assets. It is extremely important to include restrictions and safeguards on the agent. Restrictions may include stating specifically what powers you want your agent to have, including a limit to the agent's power to make gifts of your property, and exactly how you may be deemed incapacitated. A safeguard could be the requirement that your agent provide family members and/or a third party with regular accounting statements.

However, even if you know and trust the judgment of your agent, circumstances may change in the future. Someone who is secure financially now could have a reversal of fortune in



A "SILVER TSUNAMI" IS COMING

The aging population is rapidly growing, and will continue to grow for many years; the U.S. Census Bureau projects the number of elderly in America will nearly double by 2030. Not only are the Baby Boomers approaching 65 but also people are living longer.

Even though it is widely acknowledged that a "silver tsunami" is not far in the future, according to the director of the geriatrics division at Brown University medical school and past president of the American Geriatrics Society, "...there is not a coordinated or strategic response taking place in America." There are about 7000 geriatricians in the United States out of the approximate 800,000 doctors.

Geriatrics has never been a field of choice for young doctors. Elderly care doctors are paid less than most other physicians and surgeons and the aged can be hard to treat. As medical schools recognize the need for many more people to be trained in geriatrics, private foundations are bankrolling the schools' emphasis on aging. Increasingly, at many schools instruction includes aging content in all courses.

David Reuben, chief of geriatrics at UCLA said, "If they don't learn it, they still have to deal with it. It's not that not learning geriatrics will cause these older people to go away. They're coming whether we're ready or not."

Hopefully there will be an increase in educational opportunities as well as geriatric doctors and nurses before there is a

TAX MONTH QUOTE

Isn't it appropriate that the month of the tax begins with April Fool's Day and ends with cries of "May Day!"?

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FEDERAL ESTATE TAX – UPDATE

Recently an amendment to the Senate budget resolution was passed (99 – 1) that would make the 2009 law permanent with a 45% maximum rate for estates over \$3.5 million (\$7.0 million per married couple).

However, this issue is far from settled. There are still issues regarding the treatment for small businesses and family ranches and farms. There are proposals to extend a provision of the 2006 Pension Protection Act that allowed IRA funds to be transferred under certain conditions to a charity income tax free. There are discussions regarding alternatives to the current federal Estate Tax system as well as reforming the entire federal tax system (flat tax, value added tax, etc.).

This election year should be interesting with the various tax plans and proposals but there will probably be no long-term agreement. We encourage you to make known to your elected officials your ideas and concerns.

And, as always, we will keep you informed

PROPOSITION 22 OVERTURNED

On May 14, 2008, the California Supreme Court overturned Proposition 22, the voter approved definition of marriage as a union between one man and one woman, on the basis that preventing gay couples from marrying is unconstitutional.

Even though it is not necessary for a person to be a resident of the State of California to be married in the state, same-sex partners will not be considered spouses in most other states and for federal tax purposes. Consequently, many complex income tax, estate planning and estate tax issues will need to be addressed and resolved for gay couples contemplating marriage.

At this writing, there are organizations preparing to protest this change in California law. We expect this may continue to be a hot-button issue for some time to come.

If you or someone you know needs assistance with this, call us for an appointment to discuss the specifics one-on-one.

VISIT OUR WEBSITE

Even though many of you have had us prepare your will or trust, you may not be aware of the additional services we provide. You can meet our attorneys and find out about their respective areas of expertise. There's even a quiz for you to take to learn if you need to update or improve your estate plan.

Please advise us of an address correction or any other changes so that we can keep our information current.

You may contact us at 650-941-8600,
408-377-7845,
inquiries@kramerradin.com
or through our e-mail link on
our website,

