

Wills, Tax & Estate Planning Workshop

**THE WORKSHOP WILL BEGIN AT 5:30 PM.
ATTENDEES WILL BE ADMITTED AT THAT TIME.**

THANKS FOR JOINING US.

Our Presenters



**Melissa Osorio
Dibble, Esq.**

Samaritan Planned Giving
Committee Member
Samaritan Board Member
Partner, Archer & Greiner



**Rachel Shaffer
Gersie, Esq.**

Samaritan Planned Giving
Committee Member
Attorney, Fendrick
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**Timothy J. Rice,
Esq.**

Samaritan Planned Giving
Committee Member
Managing Partner,
Timothy Rice Estate and
Elder Law Firm

Financial Power of Attorney
Advance Directive & Health Care Proxy
Will
Trusts
Non-probate assets

Why should you have an estate plan?

- Decide how your assets will pass
- Make medical requests known to your loved ones and appoint someone to manage your medical affairs if you no longer can
- Allow another to manage your financial matters

Federal Estate Tax

- Current exemption for 2024: \$13.60 million
 - Law that increased exemption expires on 12/31/2025
 - If no change in law, could return to lower exemption for 2026.
- Used to be about \$5.5 million

New Jersey Estate Tax

- Repealed in 2018 (still applicable if person died pre-2018)
- Previous exemptions: \$675,000 (2016) and \$2 million (2017)

New Jersey Inheritance Tax – Still in effect!

- Based on relationship between decedent and beneficiary.
- No inheritance tax to spouse, lineal descendants, or charities.
- Tax rate is 11-16% depending on relationship and amount.

- What it does:
 - Disposes of property
 - Appoints executor and trustee
 - Appoints guardian
 - Appoints funeral representative
- What happens when you do not have one?

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- This is what happens if you die without executing a Last Will and Testament.
 - N.J.S.A. 3B:5-2 through 4 determines how your estate will be distributed.
 - Surviving spouse
 - Descendants (i.e., children)
 - Parents
 - Descendants of parents (i.e., siblings)
 - Grandparents
 - Descendants of grandparents (i.e., cousins)
 - Who is appointed as Administrator?
 - Usually there is a bonding requirement.

Financial Power of Attorney

- What it does
- Who to choose
- What happens if no power of attorney in place?
 - Financial management problems
 - Court involvement
- Types
 - Durable General
 - Springing

- What it does:
 - Directs life sustaining treatment, DNR, palliative care
 - HIPAA Release
 - Appoints health care proxy

The Five Wishes (Wishes 1-2)

- **Wish 1: The Person I Want to Make Care Decisions for Me When I Can't**
 - Who is the best person to serve?
 - Pitfalls to avoid- naming spouse, children
- **Wish 2: The Kind of Medical Treatment I Want or Don't Want**
 - Consents for procedures, testing, treatments, admission to facilities
 - Choice of medication
 - Take required legal actions to enforce agreements
 - Power to make anatomical gifts and apply for medical benefits
 - Prolonging of life

The Five Wishes (Wishes 3-5)

- **Wish 3: How Comfortable I Want to Be**
 - Pain management, personal hygiene, gentle relief from discomfort
- **Wish 4: How I Want People to Treat Me**
 - Companionship, religious needs, celebration of life, remain in home
- **Wish 5: What I Want My Loved Ones to Know**
 - Provides a method to address personal sentiments
 - Includes the request to be remembered in life and not in death
 - Includes wish to respect personal decisions regarding one's care

N.J.S.A. 45:27-22 - Control of funeral, disposition of remains

- Allows legally binding funeral arrangements.
- Written document signed in the same fashion you would sign a will with witnesses and a notary.
- Helps avoid the emotion and potential disputes associated with planning a funeral
- In the absence of writing, cremation can only proceed with consent of the following:
 - (1) The surviving spouse of the decedent or the surviving domestic partner, or
 - (2) A majority of the surviving adult children of the decedent or
 - (3) The surviving parent or parents of the decedent or
 - (4) A majority of the brothers and sisters of the decedent.

Samaritan Non-Probate Assets

LIFE-ENHANCING CARE

- What is probate?
- Which assets are included in probate?
- Which assets are *not* included in probate?
 - POD accounts, joint accounts, life insurance, retirement, named beneficiary accounts, assets in trust

What do you think?

- Sue, her husband Bill, and their two children are in a major car accident. Sue is killed, Bill is in a coma, and the children are unhurt. How can the documents we discussed help the family of Sue and Bill manage their and the children's affairs.

Another scenario

Deb, Caitlin, and Jana are siblings. Their mother Liz is 90 years old and entering into a nursing home. Liz does not have a power of attorney. Deb and Caitlin live out of state, but since Jana lives in New Jersey with Liz she handles her day-to-day care. To allow Jana to assist her with the bills, Liz adds Jana's name to her account as a joint owner. Liz's Will states that her entire estate is to be split equally amongst her three children.

At Liz's death, what happens to the assets in the joint account?

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- Types
 - Testamentary
 - Irrevocable
 - Revocable
 - Who for
 - Spouse
 - Children
 - More remote descendants
 - Charities

- Benefits of Giving
 - Income tax benefits
 - Estate tax benefits
- Methods of Giving
 - Lifetime/Inter Vivos
 - Upon Death/Testamentary

Types of Giving: During Life and Post- Death

- Stock
- Cash
- IRA Charitable Rollover
- Charitable Trusts
- Life Insurance
- Donor Advised Funds
- Testamentary Gifts
- Charitable Gift Annuity

- What is it & how does it work?
 - Irrevocable contract
 - Allows gift of cash and/or appreciated assets to charity, but you continue to receive fixed amount of money from your lifetime
 - Provides income tax benefits in year of donation.

Charitable Gift Annuity

- Michelle, 69, has \$100,000 sitting in a money market account earning less than 1% per year. She gifts the assets to a Charitable Gift Annuity which in return will provide payments for life.
- What benefit will she receive?

Bequests and Other Testamentary Gifts to Charities

- Take effect upon death
- Provide for charity in testamentary document - trust or will
- Provide for charity in beneficiary designation (i.e. IRA, etc.)
- Dollar-for-dollar reduction to the taxable estate
- Watch your language
 - Be sure that you have the charity's correct name and that it is, in fact, a charitable organization

Testamentary Gifts to Charities

- Types:
 - Bequest
 - Percentage
 - Restricted
 - Unrestricted

- Estate Plan Problems:
 - Changes made directly to an original will by handwriting
 - Wills that contain significant changes from prior wills
 - Wills that are change to benefit a non-family member or one family member more than another
 - Agents under financial powers of attorney who are not acting in accordance with their fiduciary duty
 - Disputes over who should be able to make decisions regarding a loved ones medical care

- Charitable Gift Problems
 - The terms of the charitable bequest are unclear.
 - If a restriction makes the bequest “impossible, impracticable or illegal”
 - What to do with tangible (no-cash) gifts. Can the charity use it?
 - Incorrectly identified charities

- Ways to avoid issues:
 - Avoid having a layperson draft your documents
 - Avoid Do-It-Yourself Kits
 - Avoid Marketing Companies
 - Consider engaging counsel

Keeping Your Estate Plan Current

- Reasons to Update/Change Estate Plan:
 - Family changes such as divorce, marriage, births/adoptions, and deaths
 - Outdated provisions as to appointment of fiduciaries, succession, and notification requirements
 - Outdated tax planning
 - Changes in the law
 - Changes in charitable beneficiaries

Legacy Society

INCLUDE SAMARITAN IN YOUR
WILL OR ESTATE PLAN



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Q&A

For more information:

- ✓ Visit SamaritanNJ.org/Giving/Legacy
- ✓ Contact Chris Rollins
 - 856-552-3287
 - CRollins@SamaritanNJ.org

We are honored to bestow Eternal Membership in *The Legacy Society* upon those who have included Samaritan in their Will or estate plan. Please let us know if you have made such a provision, so that we may recognize your generous intent.

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