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Maintaining Course: You Have An Estate Plan, Now What?

According to Caring.Com, approximately 32% of Americans have a will. Entering this group deserves a pat on the back, well done! You have made it over a hurdle many people do not. However, it is crucial to maintain your estate plan. An estate plan that is out of date or cannot be found is not much of an estate plan, or possibly like not having a plan at all.

Over the past 15 years I have worked with many clients to revise a decade-old power of attorney or re-sign a will that went missing. These situations fed my interest in educating my clients, and the general public, on the importance of maintaining an estate plan. The result is a regular writing series called **Your Compass** posted on my blog. Posts will explore what it means

to manage your estate plan once the ink is dry. Topics of interest will include how to: leave detailed instructions for your child's guardian; safekeeping of documents; what types of documents I recommend that you have hard copies of; documenting your burial wishes; and lists of people you think need to be contacted. It's easy to stay informed via my blog, Navigator, located at gustafsonlegal.blogspot.com. Sign up for email updates when a new post goes live.



Pandemic Procedures

Wondering how creating, or updating, an estate plan works during a pandemic? Here is how my office continues to serve our clients while maximizing the safety of all involved.

- First, contact me by email or phone to share what you hope to accomplish during our work together.
- Second, we will hold a phone meeting to discuss your situation and what documents best help you achieve your goals.
- Third, once the documents are drafted, they will be mailed to your home so that you can read them over prior to our second phone meeting. During that meeting we'll review the documents paragraph by paragraph, allowing you to ask questions and make edits.
- Our final meeting does need to be done in-person. All clients meet with me in my open-air, socially distanced office. Through summer 2021 the meetings will be held in my driveway at my home, located only a few blocks from my main office on Odana Rd. Masks are required (and, together with the space heater, will help keep you warm!). This process has worked quite well! My only major challenge remains shooing away the wild turkeys that wander around the Hill Farms neighborhood. 😊

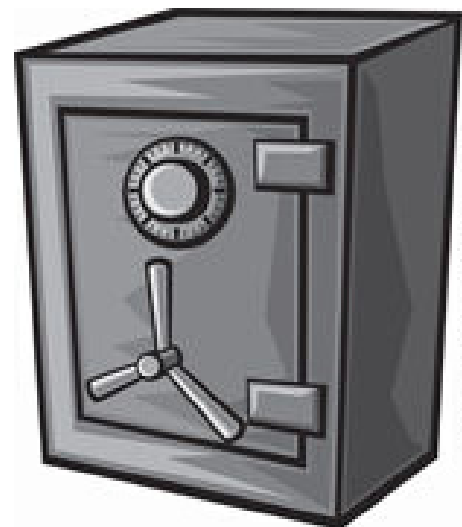
TAX MATTERS

It is 2021 and time to review some basic tax concepts related to estate planning and probate. I am not a CPA. I encourage you to work with your accountant to learn more about these amounts and changes to gain a full understanding about possible impact to your financial situation.

- The IRS pushed back the official start of the 2020 income tax filings to February 12, 2021. Anticipate delays in processing returns for both individuals as well as estates.
- The IRS announced the official estate and gift tax limits for 2021. The estate tax exemption increased to \$11.7 million per individual. This means an individual can leave \$11.7 million to heirs and the estate would pay no federal estate tax. The annual gift exclusion remains the same at \$15,000 per individual per year.
- Under current law, the federal estate tax exemption will continue to rise, adjusted for inflation through 2025. As of now, the federal estate tax exemption level is scheduled to fall back to \$5 million per individual on January 1, 2026. However, given the new presidential administration and Congressional makeup, some experts anticipate a fallback to \$5 million/individual, or even \$3.5 million/individual (the level under the Obama administration), earlier than 2026.
- Ask your accountant or financial planner about the SECURE Act, a bipartisan bill signed into law January 1, 2020. Under this legislation the "stretch IRA" was eliminated, likely creating an increased income tax liability on people inheriting a traditional IRA, 401K, etc.
- Another possible change to the federal tax code could be the elimination of "step-up in basis," which may create an increased capital gains tax for either an estate or heirs on assets that have appreciated greatly (for example, Apple stock, family lake home, primary residences purchased decades ago in what is now a "hot" neighborhood).

Keeping Your Will Safe

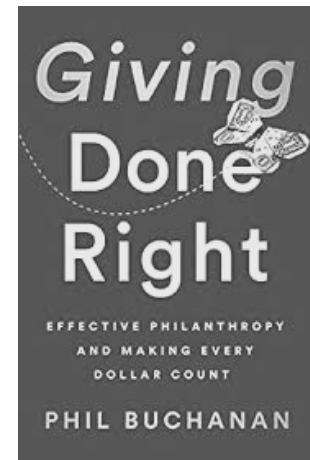
Without question, I recommend that Dane County residents consider filing a will for safekeeping with the Dane County Probate Court. The one-time fee is \$10/will. Water and fire protection offered by the courthouse is superior to what can be provided in a home setting. Moreover, when the time comes to open a probate, the will is already at the courthouse. Add the fact that a will is less likely to be lost when filed for safekeeping; it seems to be an obvious storage option. Due to the community spread of COVID-19, my office has temporarily suspended our service of delivering original wills to the courthouse. Hopefully in the late summer or early fall we can resume this service. Until then, if you have an urgent need to file your will you can find specifics on the process for Dane County residents on my blog, Navigator gustafsonlegal.blogspot.com. See the February 22, 2021 post: Will Safekeeping - Dane County, Wisconsin.



Book Review

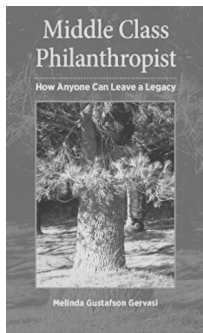
Giving Done Right: Effective Philanthropy and Making Every Dollar Count by Phil Buchanan

Presented in seven chapters, **Giving Done Right** provides a great balance between the power of storytelling and models of philanthropic giving. Topics cover philanthropy as a core part of American society, choosing a goal, and the importance of partnerships and assessing nonprofit performance. The book is a relatively fast read. Each chapter in the book provides a review at the end with bulleted key points as well as an exhaustive list of giving resources in the appendix. Whether you are a small giver, large donor or you work for a nonprofit or foundation, you will likely walk away with three or four new ideas for your giving world.



Middle Class Philanthropist: How Anyone Can Leave a Legacy

by Melinda Gustafson Gervasi



In 2013 I released a small book with the intention of sparking inspiration in the average person to leave a charitable gift upon his or her death. You can find the book online at Amazon or Barnes & Noble or several copies are available in the public library System.



What seemed impossible became possible in 2020. I made the pivot from live educational Estate Planning 101 seminars to virtual programs. Thanks to Deb Neubauer, Financial Education Center Director at UW Extension Dane County, one of my virtual seminars was recorded. Check it out on my new YouTube Channel **Navigators**. If your employer, place of worship, neighborhood group or other organization would like to schedule a session of Estate Planning 101, please contact me.

A CHARITABLE LIFE...

The Gustafson Scholarship Fund at Madison College supports women studying in the trades (metal fabrication, cabinetmaking, and auto repair are just three of over a dozen areas of trades programs). More than ever, in 2021 students of Madison College face economic hurdles in both starting and maintaining a program of study. The first award from the fund was given out in the Fall 2020, and supported Katie Diehl in the Architectural Technology program, who maintained a 4.0 GPA while preparing for the birth of her first child in May 2021. Thank you to those who made a donation, easing the financial burden of an education for Katie and her family. Worthy causes are plentiful, and budgets limited. Please consider making a small donation to this fund, set up in my late parents' honor, or sharing this giving opportunity with a local business or group interested in helping local women entering the trades. Details are below.

Make checks payable to **Madison College Foundation**, with a notation of Gustafson Scholarship.

3591 Anderson St, Suite 203 A, Madison, WI 53704

Online donations can be made at supportmadisoncollege.org/gustafson.

Thank you for your consideration!





What I've Been Reading

Grief during the current pandemic is unlike anything most of us have experienced during our lifetimes. Gathering, hugs, sharing a meal are not recommended. Instead Zoom Memorial Services or limited attendance at the grave site puts a twist on our grieving process. In the middle of it all, we are raising children. Inevitably the adults will need to talk with children about death and dying. This past year I was introduced to two different illustrated children's books that may smooth the path for discussing the issue with young children.

Badger's Parting Gifts by Susan Varley was introduced to me by the Rev. Kelly Crocker of the First Unitarian Society of Madison last Memorial Day weekend. Discussing death with children is never an easy duty, but it will be with us forever. In **Badger's Parting Gifts** the readers meet Badger, who is quite old, tired, and ready to go down the "long tunnel". After his passing, the woodland friends he left behind found comfort in the memories each had from an experience gift Badger had gave them during his life: how to tie a tie; how to bake gingerbread cookies; and how to ice skate. **Badger's Parting Gifts** also has a message for the adult reader -- the shared experiences you leave behind with young people will remain alive after your earthly presence has ended. The book is simple, straightforward, and secular.

More recently, I received an email from a northern Wisconsin librarian who suggested I read **Home in the Woods** by Eliza Wheeler. It is now part of our home library collection. Home in the Woods gives voice to a young child during the Great Depression who moves to a shack in the north woods of Wisconsin following her father's death. Based on a true story, the book is structured by the four seasons. With each passing season the child grows and heals from new experiences and the earth's renewal. This book may be helpful for a child who has experienced the death of a parent and subsequent changes in their life. I would have liked to see 2 or 3 more statements connecting the natural renewal depicted to the child's grief process. An added bonus to this book is the glimpse it offers into life during the Great Depression.

Stay Connected



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contact us if you have an address change

Camp Hope

For one year our grief processes have been altered, challenged, and twisted into something new. As a parent I cannot help but think of the children in our village processing grief during this global pandemic. Knowing about Camp Hope, a camp experience for children and their families after the death of a loved one, it seemed appropriate to mention this local resource for my readers. It is based in Amherst, Wisconsin, with a web site at www.camphopeforkids.org.