



THE LAW OFFICE OF MARY ANNE VANCE, P.S. NEWSLETTER

MAY, 2008

Estate Planning Seminar - June 5th, 2008

We will again host an Estate Planning Seminar for clients and friends on Thursday, June 5th, 2008 from 10:00 a.m. to 12 noon. Two blissful hours of free advice from attorneys Mary Anne Vance and Terri Luken, and Certified Public Accountant Allan Steinman. Refreshments will be served.

Please reserve your place before Tuesday, June 3rd, 2008, by calling or e-mailing Suzanne Cates at (206) 682-2333 or suzanne@vancelaw.com. Our space is limited to 30 people.

In This Issue:

FRONT PAGE

- Estate Planning Seminar Thursday, June 5, 2008
- Two Good Reasons to Update Your Estate Plan

PAGE 2

- Tax Update on IRA's, "529" College Savings Plans and Inheritance Taxes
- Domestic Partnerships
- Estate Planning Questionnaire Available

PAGE 3

- A Trust for Your Pet
- Helping the Grandkids through College
- Save Yourself and Your Family

BACK PAGE

- Meet Our Attorneys
- Our Guest Speaker

Two Good Reasons to Update Your Estate Plan: Sound Sleep and Saving Money

Finding the time to update our estate plan is daunting. We all have busy lives and thinking about our own mortality is not our highest priority. We work hard, struggle to save money and hope to have enough money for a comfortable retirement. We also want our adorable kids to inherit something from us. Your Will and Powers of Attorney might be fine as is, but if you were considering an update here is a checklist to help you decide:

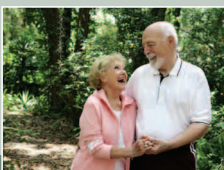
- Has my marital status changed: married, separated, divorced, or widowed?
- Have any of my beneficiaries died, fallen ill, or become disabled?
- Is there a reason that my named executor, guardian for kids, or trustee may not be able to perform their duties?
- Am I worried that my adult children cannot manage money well?
- Have I changed a beneficiary designation on my IRA or life insurance so that one child will inherit more than my other children?
- Do I have a new friend or charity I want to include in my Will?
- Has my net worth increased and am I now concerned about estate taxes?
- Have I become disabled?
- If I become ill and need someone to handle my financial and medical affairs, do I have any doubts regarding the person to whom I gave my Power of Attorney?

If you answered "yes" to any of these questions please call us to see if you need to make a change to your documents. Document changes can be short and sweet with the miracle of word processing, so do not be shy.

Go Green, Get Chocolate!

As a reward to our clients who take the bus to our office, and as a thank you for clients signing their Wills, we are offering gift bags from The Chocolate Box. Our clients Michel and Valerie Brotman own and operate The Chocolate Box, supplying Seattle with wonderful items from local chocolatiers.

Your Family is Our Focus



Tax Update on IRA's, "529" College Savings Plans and Inheritance Taxes

Change is a constant. An old saying, but it's never been truer than in the current financial and tax environment. Helping you stay informed, Allan Steinman, MBA, CPA, will discuss recent tax developments affecting your family's financial plan at our upcoming seminar. Highlights of his discussion are:

- **Individual Retirement Accounts.** A new tax provision, set to expire after 2007, provides a federal tax benefit to qualifying taxpayers who make direct distributions to charity from their IRA accounts. Other recent changes permit rollovers to persons other than a spouse as well as new Roth IRA and non-Roth IRA considerations.
- **"529" College Savings Plans.** Federal tax law offers special tax benefits to help families set aside funds for future college costs.
- **Estate Taxes/Inheritance Taxes.** The rates and rules governing estate taxes have changed recently and will continue to change annually under the current law.

Domestic Partnerships

Washington's new Domestic Partnership Registry went into effect on July 22, 2007. During the 2008 legislative session, the governor signed into law new provisions that expand the rights and responsibilities of domestic partnerships. The new provisions of the statute will go into effect on June 12, 2008.

The Domestic Partnership Registry requires that the individuals seeking to register meet the following requirements: (1) share a common residence; (2) be eighteen years of age; (3) not be married to anyone other than their partner or in a domestic partnership with anyone else; (4) be capable of consenting to the domestic partnership; (5) not be blood relations closer than second cousins; and (6) be members of the same sex or, if the couple is heterosexual, at least one of the individuals must be at least sixty-two (62) years old or older.

Once registered and issued a Certificate by the Secretary of State, domestic partners are given new rights, such as: the ability to make health care decisions for the other partner; visitation in the hospital when the partner is hospitalized; and the ability to make decisions regarding burial, autopsy and anatomical gifts. The law also recognizes inheritance rights of the surviving domestic partner if the other partner dies without a Will.

The 2008 amendments will impact: dissolution, parenting plans, and child support; community property and other property rights; the judicial process and victim's rights; taxes; public assistance; veterans; guardianship and powers of attorney; and probate and trust law.

Unmarried couples still need to work harder to have some of the advantages married couples have. Writing Wills, Financial and Medical Powers of Attorney, Health Care Directives, Disposition of Remains instructions and Powers of Attorney of Care for Minor Children remain essential steps in providing care for yourself, your partner and your children.

As of April 18, 2008, 3,885 Domestic Partnerships were registered with the Secretary of State.

To obtain registration forms and other information, please call (360) 753-7115 or visit the website at www.secstate.wa.gov/corps/domesticpartnerships.

Estate Planning Questionnaire Available On Our Website!

The first step to creating or updating your Will and Powers of Attorney is to complete our "Estate Planning Questionnaire," available at:

www.vancelaw.com



A Trust for Your Pet - New Law Helps Fifi and Fido

Ellen's and Chuck's "babies," Fifi and Fido, are the light of their lives. They take them everywhere they go, spend money on the best babysitters, buy the tastiest food and make sure the "youngsters" get just the right amount of exercise. Chuck and Ellen never wrote a Will for typical reasons, such as: money, time, and besides, they have no children.

Ellen and Chuck might be happy to know that Washington State Law RCW 11.118 now allows each of us to create a Pet Trust to ensure there will be plenty of money for your pets to continue to live in the style they are accustomed to living.

You can now designate a person in your Will to be a Trustee and manage money for the benefit of your pets. When the pets pass away your Will directs where the remaining funds go, such as to a friend or charity. There is no limit on the amount of money you can choose to leave for the care of your animals.

Helping the Grandkids Through College

The gift of an education is a precious thing. You can help the kids and be smart tax-wise by using one of three strategies: (1) gifting up to an annual maximum of \$12,000 directly to the child without having to file a gift tax return with the IRS; (2) give appreciated stock to the teenager and she will likely pay a much lower capital gain tax upon sale than you would, and (3) pay unlimited amounts of tuition money directly to the school without having to file a gift tax return with the IRS.

Creating "529" college savings plans for your children or grandchildren offers advantages because the money grows tax free and is not included in your estate for inheritance tax purposes, but you maintain control of the funds.

Check out www.savingforcollege.com for additional information on "529" college savings plans.

Save Yourself and Your Family - *Update your beneficiary designations tonight!*

Have we got a deal for you! Without incurring legal fees, each of us can improve our estate plan by simply verifying the beneficiary designations we made for our Individual Retirement Accounts ("IRAs"), 401-Ks, annuities, life insurance policies and bank accounts with "pay on death" designations. Get written documentation as to who you named as primary and contingent beneficiaries. You might be surprised by a choice you made years ago. Remember, your Will does not override these designations.

A sad story . . . As a cheerful 23 year old, Helen began her first day at the Busy Bee Corporation in 1974 signing a package of boring personnel forms. She named her mother as her beneficiary who would receive her pension and life insurance benefits when she died. Thirty years later, Helen, now a wife and mother and still working at the Busy Bee, dies never having added her husband and son as a beneficiary.

Helen's mother suffers from dementia, lives in a nursing home and is financially supported by the government through Medicaid. Though Helen's husband may have a claim to a portion of her death benefits, a portion of the money will be paid to her mother and immediately claimed by the government as reimbursement for her past cost of care. Though Helen's Will left her estate to her husband the Will does not override her 1974 beneficiary designation.

Help yourself today:

1. Contact each company that holds your IRAs, 401-Ks, annuities, life insurance, and bank accounts.
2. Obtain a written statement confirming your beneficiary designations. If you do this online, PRINT the written statement for your files.
3. Decide whom you now want to inherit each of these valuable assets.
4. Submit the "change of beneficiary" form if appropriate. Be careful so it is clear who your primary (first choice) and who your secondary (second choice) beneficiaries are.
5. Remember if you name 2 beneficiaries and one dies, the remaining surviving beneficiary (and not the deceased beneficiary's kids) may inherit the entire account.

Meet Our Attorneys:



Mary Anne Vance was recently named a “Top Attorney” by the attorney readers of *Seattle Magazine* as well as a “Super Lawyer” by the attorney readers of *Washington Law and Politics Magazine*. She co-chaired the Washington State Bar Association seminar “When Death and Divorce Collide.” In February, 2008, she spoke at a seminar sponsored by the Washington State Bar Association on “Powers of Attorney.” In April, 2008, she spoke on estate planning for the Health Education Network, LLC in Bellevue, Washington. If you wish to contact Mary Anne please do so at maryanne@vancelaw.com.



Kenneth L. Taylor practices in the areas of estate planning, trusts, probate, transactional real estate matters, and business law. A native of Bremerton, Washington, Ken is a graduate of the University of Washington, School of Law. Ken joined the firm in 1989. If you wish to contact Ken please do so at ken@vancelaw.com.



We welcome Terri R. Luken, a 19 year veteran of the King County Prosecuting Attorney’s Office to our firm. She will support our firm in our trust, probate, and guardianship matters. She joins Kenneth Taylor and Mary Anne Vance in fostering the firm’s core mission in estate planning, trust, guardianship and probate administration. If you wish to contact Terri please do so at terri@vancelaw.com.

Our Guest Speaker:



Allan Steinman’s work integrates accounting, financial, and tax strategies for affluent individuals and families and their family-owned businesses. Mr. Steinman is a shareholder and the director of the Accounting and Assurance Services practice at Bader Martin, P.S. in Seattle, Washington. You can reach him at (206) 667-0314 or asteinman@badermartin.com.

This newsletter is a publication of The Law Office of Mary Anne Vance, P.S., and should not be construed as legal advice or a legal opinion of any specific facts or circumstances. The content is intended for general information purposes only, and you are urged to consult an attorney concerning your own situation and any legal questions you may have. For further information, or to express comments about the content, please contact Mary Anne Vance at (206) 682-2333. If you do not want to receive future newsletters, please let us know.

THE LAW OFFICE OF
MARY ANNE VANCE, P.S.

901 Fifth Avenue, Suite 1111
Seattle, Washington 98164-1001
(206) 682-2333 l (206) 682-2382 Fax
www.vancelaw.com