

Sharp Bratton
Attorneys at Law
SHARPER SOLUTIONS

Insert Cynthia & Chris'
Picture

**A Word from
Cynthia Sharp**

It's hard to believe that another year has gone by! During the holiday season, we hopefully spend extra time with our loved ones and count the blessings that have been bestowed upon us. However, we cannot lose sight of the practicalities of life including year end tax planning. There are many important issues to keep in mind which include contributing fully to your 401(k), IRA or pension and using the full \$11,000 gift tax allowance per child, grandchild or relative each year. Please give us a call and request our new Special Report entitled "Plan Early for

Big Tax Savings".

Our lawmakers have remained active. On August 31, 2004, the governor signed into law a "new" New Jersey Probate Code which will take effect on March 1, 2005. I will provide details in an upcoming newsletter.

I have previously introduced our new associate, Frank Rose. Because of Frank's 23 years of experience in family law, we have developed a "Matrimonial" department at Sharp Bratton and are now accepting divorce and related matters. Along these lines, if you have a legal matter which needs to be addressed, please use us a resource. While we may not handle the case "in house", we have developed relationships with a number of top quality lawyers over the years and would be pleased to assist you in finding the appropriate law

firm to handle your situation.

Chris and I were featured on television several times over the past few months.

- I appeared on Money Matters and Good Day Philadelphia in the month of October and I was a guest on Legal Line in September.
- Chris appeared on Your Morning on CN8 in October.

On November 13, Chris addressed over 150 attendees at the Alzheimer's Association's Annual Caregiver Conference held at Lenape High School in Medford, New Jersey.

As always, we urge you to call us for a review of your estate plan if you haven't done so in the past three years.

HAPPY HOLIDAYS!!!!

Check out our BRAND
NEW website
www.sharpbratton.com

Do you or your group need a Guest Speaker?

We are available to speak to your professional, civic, religious, or special interest group on various topics (estate planning, elder law, IRA planning, special needs trusts, disability planning and taxation of annuities). Give Tina Lutts a call at 856 546 5666 to arrange a date and time.

INFLATION - ADJUSTED FIGURES FOR LONG-TERM CARE INSURANCE.

A number of tax figures are adjusted each year for inflation based on the average Consumer Price Index (CPI) for the 12-month period ending the previous August 31.

Long-term care premiums. Amounts paid for insurance that covers qualified long term care services are treated as medical expenses up to

specified dollar limits that vary with the age of the taxpayer as of the close of the tax year. For a taxpayer age 40 or younger, the 2005 limit will be \$270 (up from \$260 in 2004); more than 40 but not more than 50, \$510 (up from \$490 in 2004); more than 50 but not more than 60, \$1,020 (up from \$980 in 2004); more than 60 but not more than 70, \$2,720 (up from \$2,600 in 2004); more than 70, \$3,400 (up from \$3,250 in 2004).

Payments received under qualified long-term care insurance. Amounts received under a qualified long-term care insurance contract are generally excludable as amounts received for personal injuries and sickness, subject to a per diem limitation, which will be \$240 in 2005 (up from \$230 in 2004).

HONEST DISCUSSION ABOUT FUNERALS

Unfortunately, death is as certain as life itself. When we are adolescents, we feel somehow invulnerable to risks and think of death as an uncertain concept. In the prime of life, we know the risks, but we still think of planning for “*if I die.*” When we pass life’s prime, death is not nearly as

speculative. Many friends and family members may have gone before us.

While death is never easy to contemplate, it is much easier to make the decisions that must be made when illness and grieving are not constant companions. Do you want a religious ceremony? If so, do you have a preferred liturgy? Do you want to be cremated? Where do you want to be buried? Where do you want donations sent?

There are many decisions to be made. Making them yourself can be a loving thing that prevents intra-family squabbles at a time when family members are most vulnerable. If you are a caretaker for your parent or other loved one, addressing this issue early can provide peace of mind later as death draws near. Waiting until someone has died adds more emotion and strain to an already difficult situation. Further, some funeral providers will attempt to play off your loss to get you to spend more than what you had wanted “out of respect for your loved one.”

It is possible to purchase the funeral ahead of time, “pre-need”, when you are stronger emotionally. However, you must be careful to know exactly what you are getting and make sure that the business will be there when the “need” arises. The U.S. Federal Trade Commission has a very helpful consumer’s guide for funerals:

www.ftc.gov/bcp/conline/pubs/services/funeral.htm

In addition to adding peace of mind, purchasing a funeral ahead of time can be a good strategy if you are planning on qualifying for Medicaid. Cash sitting in the bank would be an “available resource” for Medicaid purposes and may need to be “spent down” prior to receiving Medicaid assistance. However, funeral arrangements are not considered to be an available resource. For example, let’s say you have \$7,000 more than the otherwise available Medicaid exemptions (such as the family home). If you take that \$7,000 and use it to buy a funeral plan, you would not have to spend it down prior to receiving Medicaid assistance.

As with all estate planning, pre-planning can help achieve a better financial and emotional outcome.

This Newsletter is general in nature and designed to bring a variety of legal issues to your attention and is NOT intended as a substitute for legal advice.

Please feel free to make copies of this Newsletter for your friends and clients. If you know someone who would like to be added to our mailing list, please call or e-mail us with their name, address and phone number.

Estate Planning With Your Pets in Mind

There are those who say their pets are “like family.” And for many of us, the love of our pets is no less real than the love for other family members. So why not take steps to make sure these loved one are cared for after you are gone? There are several ways you can ensure that your pets are well taken care of for the rest of their lives.

The first is to place a provision in your Will or Living Trust stating who should take over care for your pets and reserving money specifically for their care. Select a friend or family member who is willing and able to provide a good, loving home for your pets. The funds may be a gift given directly to the caretaker.

Another option is to appoint a trustee who can either care for your pets in his or her own home or find someone else with a suitable, loving home to serve as caretaker. This type of “pet trust” also provides the trustee with funds to be used for the benefit of your pets. While pet trusts are not currently valid in all states, they will soon become more prevalent since they are included in the new Uniform Trust Code that an increasing number of states are adopting.

If appointing a suitable caretaker or trustee is not a viable option, local animal shelters and adoption centers can help place your pet in a good home. If sufficient funds are allocated for the care of the pet, some locations will accept pets that are donated through trusts and care for them until a devoted home can be found for them.

