

WILLMS, S.C.

LAW FIRM

CLIENT NEWSLETTER MARCH 2, 2012

We would like to report that this newsletter coincides with a gradual change in seasons to more spring-time weather, but with several inches of snow on the way this weekend, we are going to forgo that discussion for now. Instead, the season we are going to discuss is one that some people dislike as much as Wisconsin winters, and that's "tax season." Here at Willms, S.C., where tax season is more of a year-round focus than a seasonal occurrence, we are keeping up to date with new developments and the way they may apply to our clients. Therefore, the first three topics of this newsletter focus on tax-related issues. The final topic discusses the current status of legislation in Wisconsin that affects the options individuals have for receiving long-term care services at home.

What Will the Estate Tax Look Like in 2013?

Right now we do not know for sure what the estate tax will look like in 2013. We know what the current law says it is supposed to be in 2013, but we also know that the federal government has been working over the past several months trying to change the current law. Most recently, President Obama released his budget proposal for the federal government for 2013. Included in that proposal are significant changes to the federal estate tax. In the article, "Estate Tax Changes May be in Store," (found on the Articles page of our website) Attorney Andrew Willms has outlined the provisions of that budget proposal that may affect estate taxes. If you would like to have Andy review your estate plan and discuss the potential impact of estate tax changes, especially for larger estates that may need to consider planning options prior to changes in estate tax law, he would be happy to schedule a meeting to discuss these issues with you upon request.

When Are Your Taxes Due?

We can debate what Washington may or may not decide in regards to gift and estate taxes, and what impact those decisions may have on your own gift and estate tax planning situation. What is not up for debate is that you likely have tax returns due this year that need to be filed, and filing deadlines are coming up quickly. For your assistance, Attorney Maureen O'Leary has prepared the article entitled, "Tax Return Filing Reminder" (found on the Articles page of our website). This article discusses the different types of tax returns and when you may be required to file them. Please contact Atty. O'Leary immediately if you have any questions regarding the contents of this article.

Will My Kids Have to Pay Estate Taxes on My Baseball Cards?

A common error for people engaging in estate planning is to forget to plan for something they own. People construct plans for their house, their vacation cottage, their bank accounts and their life insurance. But what about the antiques that you have been collecting from auctions for the past twenty years, or the first edition comic books that are stored away in the attic, multiplying in value over the years. Do your kids know about these collections, and if so, will they know what to do with them when you pass away? Will they know these things are valuable, and if so, how valuable? The attached article, "Making Plans for Prized Collections," ([CLICK HERE](#)), discusses some of the considerations that should be made when you have a notable amount of wealth invested in collectibles. In particular, you should be making a plan for how these items will be divided between your heirs, and where they should ultimately end up. Additionally, plans should be made for valuing these collectibles, because passing them along to heirs could have gift or estate tax implications that should not be ignored.

Legislative Update Regarding Long-Term Care At Home

In our September 2011 newsletter, we discussed the "Family Care Program," which is the branch of the government's Medicaid program that allows individuals to receive long-term care assistance in their own homes. At that time, we indicated that Wisconsin had put a "freeze" on that program, so that people needing assistance in paying for long-term care would likely either have to move to a nursing home to receive that care or get on a waiting list and pay privately in the meantime.

As of December 13, 2011, the federal government has ordered Wisconsin to lift that freeze on home-based long-term care services. Once both houses of the Wisconsin legislature pass provisions that will comply with the federal requirements, Family Care should again be more widely available to individuals who do not want to have to move to a nursing home to receive assistance with their care. However, those hoping to take advantage of Family Care benefits must recognize that these benefits may only cover what is "medically necessary" in the eyes of the service provider. Combined with the fact that Family Care imposes a limit on the amount of assets a person can own before qualifying for benefits, this can prove to be a real hardship for people who find themselves without sufficient assets to pay for the care they need or desire.

This is where working with an elder law attorney proves beneficial. There are ways to preserve assets prior to applying for Family Care that allow an individual to supplement the benefits they receive. We can assist individuals in setting aside funds to pay for transportation, home modifications and additional care services that would not otherwise be provided by the Family Care program, essentially allowing individuals to receive an appropriate level of care and services within their financial

means without experiencing an unnecessary hardship. Please do not hesitate to contact Attorney Jessica Bourke if this is a topic about which you would like more information.

We hope you find the information included in this Update helpful. Please do not hesitate to contact us for more information about the topics in this newsletter.

Sincerely,

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If you would like to stay up-to-date with the latest developments at Willms, S.C. through LinkedIn, please visit Andy Willms' LinkedIn page by clicking [here](#), Maureen O'Leary's page by clicking [here](#), and Jessica Bourke's LinkedIn page by clicking [here](#).