

All in the Planning

Winter 2021

Quarterly
newsletter
prepared and

Jarrett &
Luitjens
ESTATE & ELDER LAW

Hello 2021—Let's Get Motivated!

Is there anyone sad to say goodbye to 2020? For many of us, 2021 epitomizes the symbolic renewal of a new year, with an extra kick of life motivation. In what ways will you channel this energy? Unread books, unfinished household improvements, abandoned fitness routines, neglected personal affairs? This may be the year!

All adults should tend to their personal affairs in some manner, and the task need not be painful. (Leave the "no pain, no gain" mantra to your exercise regimen!) For some this may be a simple review of existing documents or an update of contact lists and account inventories. But for others this may be a new venture, and we'll review the basics.

There are three key components to estate planning: (1) distributing assets at your death; (2) managing your assets and personal affairs during life; and (3) advocating your health care treatment.

You can accomplish asset distribution in various ways, from the simplicity of joint account ownership or beneficiary designations to the traditional "Last Will and Testament" or the more complex revocable living trust. What is appropriate for you will depend upon your individual situation, including your goals, family tree, and asset portfolio. Not everyone needs to have a will, nor is it appropriate for all circumstances. You can often achieve your goals by simply naming beneficiaries on your financial accounts. In other situations, a trust will ensure your wishes are met with the greatest efficiency.

Creating a comprehensive, durable power of attorney will address the "managing your affairs" objective in estate planning. If you cannot or do not want to tend to a particular financial or personal task, a pre-

designated agent can use a power of attorney to act on your behalf.

For health-related matters, an advance health care directive appoints an individual to advocate for your medical needs and treatment preferences. In addition, authorizing certain family or friends to access medical information with a HIPAA release may also provide assistance navigating your health care needs.

So let's get motivated! Tackle those estate planning goals, finish that book list, improve your fitness!



Lawyer Joke

Q: What's the difference between a good lawyer and a bad lawyer?

A: A bad lawyer lets a case drag on for several years, but a good lawyer knows how to make it last even longer.

Tip / News: New Numbers for 2021

Estate/transfer tax

Vermont estate tax exclusion: \$5,000,000

Federal estate and lifetime gift tax threshold: \$11,70,000

Federal gift tax exclusion (annual): \$15,000 [no change from 2020]

Vermont Medicaid

Community Spouse Resource Allowance: \$130,380

Home Equity Limit (singles): \$603,000

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