

ESTATE PLANNING *MATTERS!*



13220 EXECUTIVE PARK TERRACE, GERMANTOWN, MD 20874

ESTATE PLANNING ADVISORY

You are probably aware that the Tax Bill that Congress passed last December brought some big changes to the federal estate tax, including an increase in both the *gift tax* and the *estate tax* exemption amounts to \$5 million. Unfortunately, the new law is only a two-year “band-aid” that expires on January 1, 2013. Thus, we are still faced with much uncertainty as we assist our clients in planning for the effective transfer of their estates to their loved ones.

Nevertheless, the increase in the exemption amounts, as well as other new provisions in the federal law, may profoundly affect many of our clients’ wills and trusts, and modifications may be in order. Many of those modifications can provide important and useful flexibility to deal with any changes that may occur in the next few years.

There was also a significant change in Maryland’s law governing *powers of attorney* last year. The new law has provisions that are designed to make it more likely that a bank or other financial institution will accept a power of attorney when it is presented. The law makes it so that a bank or financial institution that refuses to accept a valid power of attorney can be held liable for attorney’s fees and court costs. While this is a good thing, the law does have its shortcomings. The big problem with the new law is that in order for the bank to be liable for legal fees, the power of attorney must be in a certain form as prescribed in the statute. Unfortunately, however, the so-called “statutory form” power of attorney lacks many of the powers that I want to be included in the powers of attorney I prepare for my clients. As a direct consequence of the new law, we are now having most of our clients execute two (2) different powers of attorney – the more comprehensive form I have traditionally used, and the new “statutory form.”

As you know, keeping your estate plan up to date is critically important. Given the changes mentioned above, it may be especially important to schedule a meeting to review your plan now so that you can take any steps necessary to ensure that your plan continues to provide the very best protection for you and your family.

If you would like to schedule an Estate Plan Review, please call the office or send an e-mail to me at jhyatt@estateplanningmatters.com.

Note: Please note that you are receiving this Notice as a courtesy, and that no actual ongoing attorney-client relationship exists unless and until you formally engage our services.