

KRAMER RADIN, LLP

A LAW FIRM

ESTATE PLANNING MATTERS

Plan for Tomorrow —
TODAY



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ABOUT US

KRAMER RADIN, LLP is a firm of professionals dedicated to the practice of law in estate planning, probate and trust administration, conservatorships and all aspects of trust and estate litigation.

Our team of experienced legal professionals encourages our clients to plan and administer their estates wisely to provide for their loved ones, protect their assets from unneeded legal and tax expense and carry out smooth and well-thought-out estate continuity.

Our attorneys deal with related issues including gifting, charitable giving, prevention of elder abuse and dispute resolution.

News Around the Office

In the time between writing this newsletter and you reading it, the world will change again. And yet, much remains the same. Though our doors remain locked today, we hope soon to be able to open them wide and welcome you to stop in.

We continue to listen - While providing for loved ones, community, pets, and others and ensuring their assets are protected, more and more clients have asked how to ensure their estate plans also address digital assets. We listened and are sharing that knowledge.

We continue to learn - The documents we draft reflect the wishes, values and needs of each client. If your wishes or needs have changed, please let us know so we can offer our knowledge to ensure your estate plan accurately reflects you.

We continue to grow - Though we said goodbye to some staff who have retired or moved away, we have happily added more members to our team. Ann, Jaspreet, Richard, Sophia and others look forward to meeting you and assisting you!

And even though you may not see it behind our masks, we smile. We hope you can hear it in our voices - We are honored to support you and your family during times of challenge, opportunity and change, and look forward to telling you so in-person soon!

Deborah Radin

Cryptocurrency in Estate Planning

Cryptocurrency, or digital money, is growing in popularity and gaining notoriety for its constantly changing price and potential for great profit. If you currently own cryptocurrency (often called “crypto”), such as Bitcoin, Dogecoin or Ethereum, or are considering investing in cryptocurrency, it is important to ensure that you have properly planned for the ability to pass this asset on to your beneficiaries.

Unlike traditional money, which is stored and monitored by financial institutions, there is no central bank for cryptocurrency. Companies that provide crypto exchanges, like Coinbase, provide the ability to buy and sell cryptocurrency, but these exchanges have no control over the currency itself. Because of its decentralized nature, only the owner of crypto can control its access. This means that traditional documents, like Financial Powers of Attorney or even Trusts, may not provide your agents or beneficiaries with the ability to access your crypto.

Therefore, it is important to ensure that you’ve made clear to your beneficiaries how to access your crypto. There are different ways of storing cryptocurrency, such as a “digital wallet” facilitated by a company like Coinbase. Such wallets come with a “key,” which is simply a long password unique to you. Whether you write down your key and store it in a safe deposit box, or include the key with your estate planning documents, it is crucial to ensure that those you have named to manage your estate at your passing know where to find this information. Should you wish to discuss crypto in relation to your estate plan, please contact us for a consultation.

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Proposed Capital Gains Tax Changes

You may be aware of the Biden administration's proposed "American Families Plan," which calls for certain changes to the tax code as a means to fund a wide range of social programs in an effort to combat income inequality. If the proposed plan passes Congress, it may impact your taxes if you sell or inherit property, and also may impact your estate plan and the transfer of assets to your heirs in the future. The proposal involves increasing the top capital gains tax rate from 20% to 39.6% for those with an annual income of more than \$1 million. Combined with the existing 3.8% net investment income tax for those with significant investment income, the top federal tax rate on capital gains could be as high as 43.4%. Even if your annual income does not typically exceed \$1 million dollars, you may be impacted if you sell real property and make a profit at that level.

Included in the proposed plan is the elimination of the "step-up in basis" on appreciated assets. Under current law, when a property owner dies his or her assets receive an adjusted cost basis to fair market value as of the date of the decedent's death. This is to the advantage of the heirs, if the inherited property is later sold because they will only pay capital gains tax on the increase in value from the date of death to the date of sale. If this rates adjustment is eliminated, and you inherit property whose value has increased significantly, you could face higher taxes than anticipated if you later sell that asset.

What does all of this mean for you and your estate plan now? While we do not know whether the proposed changes will pass Congress, and what shape they will take, if they pass we will keep you informed as we have more information. You may wish to discuss the situation and the issues involved with your financial advisor and/or an attorney in our office - don't hesitate to contact us to schedule a consultation.

FEMA Covid Funeral Assistance

FEMA, the Federal Emergency Management Agency, announced in early April that it will be offering financial assistance for Covid-19 related funeral expenses incurred after January 20, 2020. Applicants may be eligible for federal assistance if they paid for the funeral expenses of a decedent whose death certificate indicates Covid-19 as the cause of death. Applicants must provide funeral expense documentation that includes the applicants name, the deceased person's name, the amount of funeral expenses incurred, and the date the funeral took place.

Assistance for paid funeral expenses is limited to a maximum of \$9,000 per deceased individual, although additional funds may be available for multiple decedents.

As of the publishing date of our newsletter, the only way to apply for funeral assistance is to call the Covid-19 funeral assistance hotline at 844-684-6333 which is available Monday through Friday, 9am to 9pm Eastern Time. Calls are expected to last 20 minutes and it is recommended to have documentation prepared in advance.

Additional information can be found on FEMA's website at the following link or by searching in your browser for FEMA funeral assistance.

<https://www.fema.gov/disasters/coronavirus/economic/funeral-assistance/faq>

Announcing Online Payments

We are pleased to announce that our clients now have the ability to make payments online through our secure website via credit card, debit card, or eCheck.

Visit www.kramerradin.com and click on the "Make payments" link in the middle of the home page. It will provide you with a secure link through LawPay to pay your bill directly. It will also immediately notify our billing department that your payment has been made.

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Newsletter
Summer 2021

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