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Bay Area Office

Don Sweet, Esq. AEP©

Roxanne T. Jen, Esq.*

*Certified Specialist in Estate Planning, Trust & Probate Law



2000 Alameda de Las Pulgas,
Suite 154
San Mateo, CA 94403



650-285-5400



ProtectionCounsel.com



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The month of November is a great time of year as we gather with friends and family to give thanks for all that we have in our lives. As we look around the table, we realize that what defines wealth is the family and friends who bring joy and substance to our worlds. From an attorney's perspective, Thanksgiving is an opportunity to consider the plans we put in place to support and provide for those we hold dear.

What brings meaning to our relationships and what is the legacy for remembrance in future family gatherings when we have passed on?

- As you listen to the conversations around the table, what values are present and important? Family, charity, philanthropy, education?
- For those we care about who may struggle with disabilities or substances, how can we protect them?
- For those returning from college, do we have the appropriate documents in place for them in the case of an emergency?

While our planning often involves significant tax planning and discussions about things like real estate & businesses, the real value is passing on vision, values and goals. The planning we put in place reflects what is important to us and defines our legacy. We are proud to present a special workshop on Wednesday, December 14, 2016 where we will host Greg Lederman, Esq., who heads the Rodnunsky & Associates Special Needs Trust Department in the Los Angeles Office. In addition to many years of practice and counseling clients, he is a contributing author in the attorney guide for the California Bar's CEB Special Needs Trust series. Please see additional details later in our newsletter and we welcome you to attend if you anyone in your family is receiving government benefits or just needs extra protection from themselves or others. We look forward to seeing you.

The month of November also marks an important point in time because we can close the book on the election cycle of 2016.

Regardless of how we feel the results turn out, we can start to look forward to the changes that will impact our families. While the

administration is working its way through the first 100 days, we can begin to reevaluate the possible tax, regulatory and administrative changes that we experience in the next few years. At Rodnunsky & Associates, we have closely monitored the recent elections and are evaluating potential issues and solutions that our clients may experience. We are happy to discuss how recent political changes may impact your planning.

I would be remiss if I did not comment about the recent elections. For those who are concerned about the strength of our democracy and the resilience of our country, I can offer words that I have always found inspiring from one who followed a derisive and tumultuous time in American politics. President Gerald Ford, at his inauguration stated that “Our Constitution works; our great Republic is a government of laws and not of men.”

I am confident that no matter how far one side of the aisle grows in strength, the other will grow in response. People are a key part of our government, but the law is what sets the rules of the playing field. I will be sharing with my daughter in the months that follow that playing by the rules is a value. If we are not happy with a rule, we work hard to change the rule in the next election. In the end, our democracy works because we agree to play by the rules.

May your family find peace and tranquility this Thanksgiving. Thank you for allowing our family to be a part of yours.

Warmest Regards,



Donald J. Sweet, Esq.

A case from Roxanne T. Jen

By Roxanne T. Jen, Esq.

I recently met with a client who came into the office because she wanted to protect her minor son in the event of her incapacity or death. My client, “Cindy”, is a lovely mother of a 12-year-old boy. She works full time and owns her home in the Bay Area. In our conversation about her estate planning goals and objectives, she said that in the event of her death, she wanted to leave everything to her son. However, in the event her son died and to the extent that he did not have any children of his own, she did not want her assets to transfer from her son to his father, my client’s ex-husband.

In the State of California, if an individual dies without any estate planning documents that articulate whom and what we want to be distributed to, then the person is considered to have died “intestate”. This basically means, dying without an estate plan. Instead of a self-created plan, we would default to the California probate code to tell us whom the deceased individual’s assets are going to be distributed to and how much. {...code tell us to whom the deceased individual’s assets will be distributed and how much will be

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distributed] In general, if an individual dies without any issue (i.e. children), his assets will go to his parents, if still living.

In Cindy's situation, if her son inherited her assets upon her death and then he later died without children of his own, the default law would indicate that all of his assets would be distributed to his father, if his father was still alive. The assets that Cindy left her son, included!

Cindy has a wonderful relationship with her ex-husband. They speak on a regular basis about the care of their son and they remain friends. However, Cindy is not interested in her assets benefiting her ex husband in the event of her and her son's deaths.

We were able to achieve Cindy's estate planning goals by creating a trust with her son as the beneficiary. Should the son pass, trust assets to be distributed to his children. If he did not have children, then trust assets to be transferred to Cindy's sisters. I could visibly see the stress melt out of her as we finalized and executed her estate plan.

A (very) Brief Overview of Family Foundations

By Victoria Campbell

Family foundations are often created by families who want to contribute to charity in the name of a loved one or on behalf of family members. These foundations are included in the umbrella of charitable organizations under IRS Section 501(c)(3), which divides charitable organizations into private foundations and public charities.

Family foundations, which are a type of private foundation, must meet certain requirements in order to qualify for status as a 501(c)(3) organization. Once qualified, taxpayers may receive deductions for contributions for income, estate, and gift tax purposes; however, the organization must be organized and operate exclusively for religious, charitable, scientific, literary, or educational purposes.

A family foundation may be operating or non-operating. An operating family foundation will directly carry out a charitable activity and will be exempt from certain distribution requirements (amongst others). A non-operating foundation will not directly perform any charitable activity, but will make grants to another 501(c)(3) charitable organization. With a non-operating foundation, the organizer is not required to name or limit the type of charity the foundation will benefit providing the organizer the freedom to support multiple charities.

Family foundations allow donors more control over the foundation and donations than they would by simply contributing to a public charity. With a family foundation, the board of directors (which typically consists of family members) has the right to distribute

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assets to organizations of their choosing. This is one of the distinguishing features of a family foundation; typically, donations given to support other charities come from primarily within the family. Family foundations also allow for greater family involvement, meaning that multiple family members may participate in the operation of the foundation.

For a family who is charitably inclined and seeking to establish a family legacy or memorial, a family foundation provides a useful and efficient way to satisfy several goals.

CA Election Summary

President: Donald J. Trump

Senator: Kamala Harris

Passed Ballot Propositions/Measures:

51: \$9 Billion in bonds to improve K-12 schools.

52: Extends funding for medical insurance for low-income individuals, uninsured individuals, and children.

54: Stops legislature from passing laws unless it has been on the Internet for 72 hours.

55: Maintains income tax on earnings over \$250,000 funding schools and healthcare.

56: Increases taxes on tobacco and e-cigarettes to fund healthcare.

57: Allows parole considerations for non-violent offenders and allows judges to decide if juveniles should be tried as adults.

58: Allows schools to establish 2nd language education programs.

59: Recommends that CA legislature overturn the Citizens United Decision.

63: Requires background checks for purchasing guns and ammunition. It also prohibits possession of large capacity magazines.

64: Legalizes use of Marijuana for those over 21 years of age.

67: Bans single use plastic and paper bags.

Rent control measures did not pass in San Mateo County.

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Upcoming Calendar:

November 2016

- Nov 16, Wed. 6pm R&A Offices
Planning & Caring for Aging Family – Pt3
- Nov 18, Friday 9am-1pm
Foster City Recreation Center
Senior Showcase Fair

December 2016

- Dec 7, Wed 6:00 – 7:30pm R&A Offices
Medi-Cal Protection Planning
Speaker: Don Sweet, Esq.
- Dec 14, Wed 7:00 – 8:30pm R&A Offices
Guest Speaker: Greg Lederman, Esq.
R&A – Woodland Hills
Special Needs Trusts
Co-Author CEB Publication Special
Needs Trusts: Planning, Drafting, and
Administration

What We Do:

- ✓ Family Limited Partnerships (FLP)
- ✓ Legacy Trusts (ILIT)
- ✓ Intentionally Defective Grantors Trusts (IDGT)
- ✓ Qualified Personal Residence Trusts (QPRT)
- ✓ Charitable Remainder Trusts (CRUT, CRAT)
- ✓ Dynasty Trusts
- ✓ Asset Protection Trusts
- ✓ Business Succession Planning
- ✓ Buy/Sell Agreements
- ✓ Special Needs Trusts
- ✓ Other methods of advanced estate planning and document preparation

We are looking for CPAs and Financial Planners to lease our space to. If you know anyone looking for office space we'd love to hear from you!

Our office has the following amenities:

- Golf Course View
- Kitchen
- Café in building
- Conference room access
- Fully furnished offices with standing desks and storage space
- High-Speed Wi-Fi
- VOIP
- Reception and assistant services available
- Free parking

Please contact Kayla.Beyer@rodnunskylaw.com with any questions.

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