

Thank you for your support

April 2017

Jim's Corner



We just completed our 36th year as an estate planning and trust administration law firm. As I have shared with you in the past, we are now doing monthly educational workshops in the office to explain how a living trust works for those that don't have a trust. The workshop is very informal and educational. Our March

seminar had 36 attendees—more than twice as many as our previous month. I want to thank all of our clients that have referred friends, neighbors and family members to our firm. We will continue to do our best to provide them the same quality of service that we have provided you.

Our next seminar is May 25, 2017 at 7:00 p.m. If you know of anyone who does not have a trust, please invite them to enroll in our next seminar.

Without our loyal clients we would not exist.



In this issue

Jim's Corner	1
Friendly Funding	1
A/B Trust Costs	2
Strawberry Icebox Pie	2
Easter Egg Craft	3
Friendly Funding (con't)	3
Refer a Friend	3
Monthly Seminar	4
Easter Wishes	4

Friendly Funding Reminder

Many of you established your trust years ago with a main goal in mind: avoid probate and allow for the seamless transition of your assets to your loved ones after your death. Unfortunately, this goal cannot be accomplished if your trust is not properly funded. Your trust only controls those assets that are titled in the name of your trust. Therefore, your bank accounts, investments, real estate and business interests should ALL be titled in the name of your trust if you wish for these assets to



Continued on Page 3

Your AB Trust Could Cost You and Your Family Thousands

Years ago, the federal estate tax exemption amount was \$600,000. Anything left to children above this amount was taxed at a rate of 50%. However, with special planning, married couples were allowed to **double** the exemption amount (so that up to \$1.2 million could be left to children tax-free, as opposed to only \$600,000). As a result, it was standard practice for married couples to establish an “**A-B Trust**”. An A-B Trust requires that the estate be split into two separate trusts when the first spouse dies: Trust A and Trust B. The deceased spouse’s half of the trust property is placed into Trust B, and the surviving spouse’s half is placed into Trust A. While this helped the family save on estate taxes, it has a significant disadvantage – **the assets in Trust B do not receive a step up in basis at the death of the second spouse.**



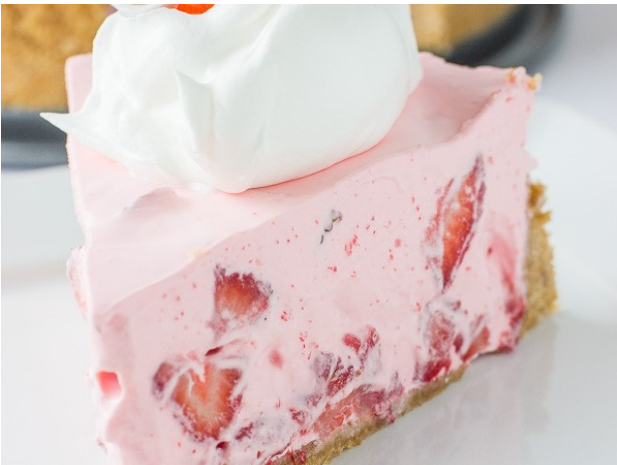
Example: Bob and Mary Smith set up an AB Trust in 1995. They own one home and some Apple stock. Bob dies in 1996. With the help of her attorney, after Bob died, Mary placed the Apple stock valued at \$100,000 in Trust B. When Mary dies in 2015, the Apple stock is worth \$1,000,000. Unfortunately, because the stock was in Trust B when Mary died, the stock does not receive a step up in basis and, when it is sold, there is \$900,000 in gain realized – which is taxable at the capital gains tax rate. This results in a loss of hundreds of thousands of dollars to the IRS!

Unfortunately, many of our clients’ children will owe significant taxes because of the low basis of B trust assets. This could be avoided entirely if the B trust is terminated. Due to the current federal estate tax limit of \$5.49 million, individuals may leave up to \$5.49 million tax-free to their beneficiaries, **without the need for an AB Trust! Terminating the B Trust is a great option for many of our clients who currently have an AB trust, even if the first spouse has already passed away.** Contact our office at (714) 282-7488 to discuss this strategy with one of our estate planning attorneys today.



Strawberry No Bake Icebox Pie Recipe

Ingredients:



- ♦ Graham Cracker Pie Crust
- ♦ A package of Strawberry Jello
- ♦ Cut up Strawberries
- ♦ Cool Whip

You can make your own crust, but the store bought works just as well and helps speed the process up!

Make the Jello as smooth as possible, while still warm not hot, add the cool whip and mix until smooth and cream, then add the strawberries! Pop in the fridge for 6 hours and then serve with cool whip on top!

This recipe is from :

<http://deliciouslysprinkled.com/no-bake-strawberry-and-cream-pie/>

Fun Easter Crafts for the Family!



Here is what you will need to make the yarn garland.

- Mod Podge Matte
- About seven, 12-inch balloons
- Multi colored pastel yarn
- Sponge paintbrush

Blow up your balloons until they are about 6 inches tall. Because you haven't filled them, they will have a slight egg shape. Cover the balloon with the Mod Podge using your sponge brush.

Use the yarn straight off the roll and tie a little bit to the balloon knot on top to anchor it. Wrap the yarn all around the balloon making any design you like. When you feel you have wrapped it enough, cut the end of the string and

wrap it under another piece.

At some point in wrapping your balloon it will probably look like a big mess and you will wonder what you got yourself into . . . but don't worry, once it dries it looks pretty cool! Now dip your sponge in the Mod Podge and generously dab it all over the string, making sure you cover it really well. **Soak it.** Let it dry for about 24 hours. It needs to be REALLY DRY when you pop the balloons or the yarn will lose it's egg shape. Now comes the fun part . . . pop the balloon with a pin and fish out the deflated mess carefully from your hollow yarn egg. And if you have a little helper, they will love doing this job!

This craft is from

<http://modpodgerocksblog.com/2013/03/easter-craft-yarn-egg-garland.html>

Continued from Page 1

pass to your trust beneficiaries. Certain assets, such as IRAs and 401ks, should not be owned by the trust – but they may or may not name the trust as the beneficiary, depending on your circumstances. If you're uncertain whether certain assets are funded in your trust, or need guidance with your trust funding, contact us at (714) 282-7488 and we will gladly assist you.

How Are We Doing?

At the Law Offices of James F. Roberts & Associates we work to be the best estate planning attorneys!

We hope that have reached that goal with each and every client but we would love to hear from our clients!

We invite you to tell us what you think! Share your experience online with Google! [Just Click this link!](#)

And if you think we have done a great job, refer a friend!!

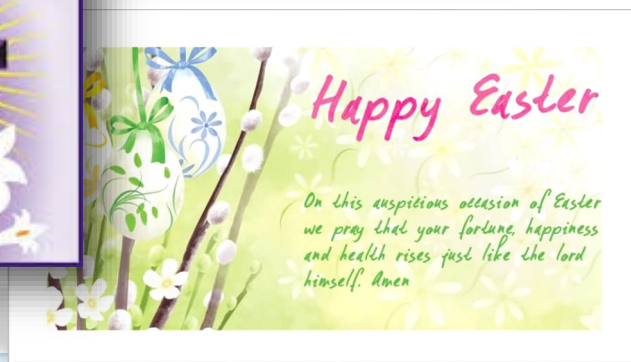
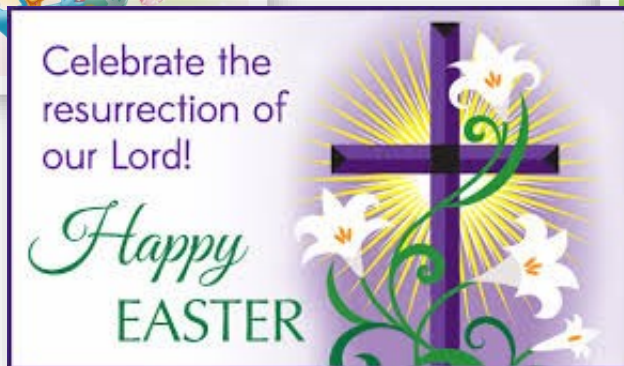
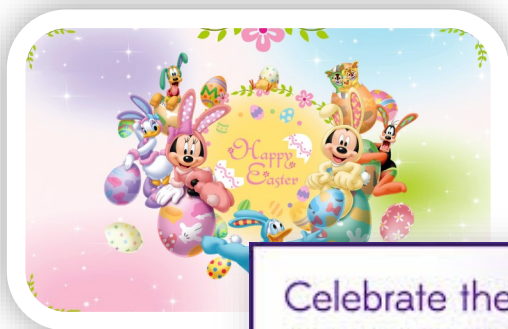
We promise to give them the same wonderful service that



Next Monthly Seminar will be in May 2017



This month we will not have a monthly seminar! Each month, we usually conduct a free seminar designed to teach about the benefits of creating an estate plan. The seminars are held on-site at our Anaheim office inside of our “classroom”. We offer light snacks and refreshments to the attendees and the group is often small and intimate, which allows for questions to be asked comfortably and for a very relaxed environment. Please encourage your loved ones to attend the seminar so that they may learn more about the estate planning process and benefits. We will not have a seminar in April but are already planning for a great crowd in May! The next seminar will be on the evening of May 25th, 2017. We look forward to seeing your family, friends, colleagues and neighbors!



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