

THE ULMAN REPORT

April 2011



Louis Jay Ulman

Phone 443.738.1554

Fax 301.575.0335

lulman@offitkurman.com

Thank you! Thank you! Thank you!

I want to thank my clients and fellow professionals who participated in a survey commissioned by Baltimore Magazine which resulted in my being named a 2011 Five Star Wealth Manager. According to Baltimore Magazine, they partnered with Crescendo Business Services to determine which wealth managers scored highest in overall satisfaction. They administered a survey by mail and phone to approximately 99,000 high net worth households and all FINRA registered representatives within the Baltimore area. Being recognized in such a manner by my clients and peers is extremely gratifying.

Congress Makes a Federal Estate Tax Decision

In late December Congress agreed to allow an estate and gift tax exemption of \$5,000,000 per person during 2011 and 2012. The bill also included a new concept in estate planning, portability. Portability allows a surviving spouse to elect to take any amounts not utilized on the death of the first spouse and to have those available on the second death. For example, if a couple has \$10,000,000 and everything passes to the surviving spouse on the first death, the surviving spouse, by filing an appropriate election on a federal estate tax return, can take the first spouse's \$5,000,000 credit amount and therefore be able to leave \$10,000,000 on the second death. Maryland still has an estate tax for any amounts over \$1,000,000 and this must be taken into account by my Maryland clients. Many of you have disclaimer trusts and they are still a very effective planning tool, particularly for Maryland residents. I strongly urge clients with a net worth over \$5,000,000 to come in for a meeting to discuss the effect of the new law. A person can now give away up to \$5,000,000 during his or her lifetime, in addition to the permitted annual gifts, currently \$13,000. This opportunity to gift \$5,000,000 is applicable only during 2011 and 2012.

Beneficiary Designations

Please take the time to review all of your beneficiary designations. Some clients with adult children have old life insurance policies or retirement plans that name parents or a sister or brother as a beneficiary. Keep in mind that the beneficiary designation controls where the asset goes when you die regardless of what a Will or Revocable Living Trust might provide. It doesn't take long to check beneficiary designations. If you don't have copies of your designations, you can always sign new ones which would supersede the old ones.

New Power of Attorney Act

As mentioned in the last Ulman Report, Maryland passed a new law concerning Powers of Attorney which took effect October 1. I received two calls from clients who have attempted to use older Powers of Attorney given to them by their parents which were not accepted by local banks during the past month. While I did not prepare these Powers of Attorney, they were properly prepared. My fear that banks will not accept Powers of Attorney that are not in the new form appears to be well-founded. The new law does not state that older Powers of Attorney are not effective, but if the banks are not willing to accept them, they will be of little value to you.

We've Gone Green!

To receive *The Ulman Report* via email, please go to the link below or call Roz Naviasky at 301.575.0353.

<http://www.offitkurman.com/the-ulman-report-signup/>