



# PEACE OF MIND™

## NEWSLETTER

*Exclusively for POM Members*

801 E. Charleston Road  
Palo Alto, California 94303

August, 2024

### **The Proposition 19 Debacle: Our Proactive Outreach**

By the time you receive this newsletter, we may have sent you a letter about your property, the extremely damaging impact of Proposition 19, and what we can do about it.

If you have not yet received such a letter, you will be getting one over the next few weeks if this issue applies to you.

For POM members, we are being very proactive, giving you accurate information about the devastating property tax increases that will hit your children upon your passing and when they receive ownership of your real property.

When we implement a sophisticated plan to avoid this property tax increase, the savings over the lifetime of a child typically exceeds **\$1 million in excess property taxes** that we avoid. This about this as one of the best “returns on investment” that you will ever have if we achieve this for you and your family.

Be it touch with any questions. Be sure to be aware of this enormous problem and of the fact that we can fix it.

### **“It’s Too Late” to Avoid Property Tax Increases**

A new client called us in early May. She shared ownership of the very valuable house in which she resided with her brother. Each owned their half interest as “tenants in common.”

He passed away and she was hit with a \$20,000 property tax increase, retroactive to the date of his death.

Unfortunately, it is too late to do anything to avoid this property tax increase, which will cost her a quarter of a million dollars in extra property taxes over the next 10 years. She makes a modest living and this will serious challenge her ability to keep the family home.

Her brother’s death was unexpected because he was only in his late 50s and in seemingly good health until his health plummeted.

**Virtually every California homeowner faces this property tax problem. We can take steps to lock in the current, very low level of property taxes for your home before it is passed along to children or other family members.** If the family home and/or a rental home or vacation home are to remain in the family after you pass, don’t ignore this problem. If we implement a plan to avoid the property tax increase, there are two massive benefits:

- 1) A small fortune in property tax increases is avoided – in the hundreds of thousands of dollars and more.
- 2) Real property is often a family legacy so keeping it in the family reflects and reinforces family values

If you have not yet explored the planning options with us, now is the time to do so.

### **When to Intervene?**

A long-time client is working hard to protect dwindling assets held by her parents for their benefit. She is kicking herself because,

commencing about a year ago, she noticed potential signs of diminished capacity on the part of her father, in particular. Always the one who paid bills, he missed several payments, incurring interest and penalties month after month. He laughed them off as momentary lapses. But the lapses continued.

Our client's father is fiercely independent and guarded his control of family assets. By the time our client gained access to their financial records, thanks to permission from her mother, significant damage was done. Money was squandered on internet purchases. An investment that was more of a scam than a quality investment lost over \$30,000.

The problem is typical: We want to respect independence, always seeking to be supportive. But when should we intervene?

Because every family is different, there is no one answer. One thing is clear: When signs of diminished capacity emerge, questions need to be asked, no matter how uncomfortable.

## **How POM Members Used their Hour**

**Long time POM member BG** met with us recently. He had no complicated issues to raise. As a member who always uses his annual hour, he indicated that he always learns something and that there are always issues to address.

POM members should follow his lead. Even if you do not have major developments that require attention, use your hour. There are always things to learn. BG, for example, learned about new developments in Medi-Cal that could be important. He also wanted to learn about new professional fiduciaries who may be available since he is concerned about the individuals he now names in his estate planning documents.

**Mr. & Mrs. P** are facing new and unexpected challenges with their son.

While travelling in the northwest, their son experienced a psychotic episode and was hospitalized. They used their POM hour to learn about steps they can take from a legal planning perspective. We educated them about:

- The need for a Special Needs Trust since their son may be unable to obtain and maintain employment
- The CARE Court, which can allow for an intervention before an individual faces a crisis
- Laura's Law, which can also allow for early intervention before an individual becomes a threat to himself or others

**Mr. & Mrs. L** came to see us with no particular agenda. They never miss their annual no-fee consultation.

Here are the issues that emerged:

- They have multiple IRA, 401k, and Roth IRA accounts. Figuring out the RMD and titling of assets has become a real hassle. For this and other reasons, they will be meeting with the financial advisor who provides free consultations on Thursdays. No doubt, he will give them some guidance and direction, simplifying and consolidating assets.
- Choice of a successor trustee – they chose a professional fiduciary who is already over 60 years of age. They now realize that they must have a younger person as an alternate since they are still fully in command of their faculties and serving as their own trustees.
- They added a small bequest for a niece who is wonderful but has experienced some serious life challenges. This modest \$25,000 bequest will make a real difference in the niece's life.

**Exclusive Peace of Mind Webinar**

**“Who Gets What?”**

**With Special Guest, Elana Feinsmith**

- Should the kids inherit in equal shares?
- Should you consider gifts made to kids as “part of their inheritance?”
- Should you provide for your parents? Siblings?
- Options for Charitable giving;
- Or Smart and fun Charitable giving
- What type of trust for each kid?

**Date:** August 21, 2024

**Time:** 1:00 PM

Register Online at [www.Gilfix.com/peace-of-mind/webinars/](http://www.Gilfix.com/peace-of-mind/webinars/)

*Register online or  
call our office at 650-493-8070*

**★Use or Share your FREE hour POM consultation★**

Remember: If you do not plan on using your annual consultation, let a family member use it. It is transferrable. Use the attached certificate and just make the appointment!

**PEACE OF MIND**

FREE CONSULTATION\* CERTIFICATE

I/We, \_\_\_\_\_, give to \_\_\_\_\_  
[POM Member] [Recipient]

our 20\_\_\_\_\_, annual free Peace of Mind Consultation to be used on or before  
\_\_\_\_\_, 20\_\_\_\_\_.

Dated: \_\_\_\_\_

\_\_\_\_\_  
[POM Member]

\_\_\_\_\_  
[POM Member]

\*When calling to make this appointment, please indicate that you have this Certificate



GILFIX & LA POLL ASSOCIATES, LLP

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Member Newsletter

## **UPCOMING EVENTS**

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With Special Guest, Elana Feinsmith

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**Time:** 1:00 PM

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