

HARRIS-PERO LAW FIRM

2024 NEWS YOU CAN USE



January 2024

Harris-Pero Offers Estate Planning Tips on WAMC's 51% Program

Did you catch Megan Harris-Pero's interview on WAMC Northeast Public Radio? A recent guest on the program "51%," Megan debunks common misconceptions about estate planning. She explains why estate planning is vital for women and how everyone over 18 should have a health care proxy and power of attorney. Megan also shares her family story that led her to helping others through estate planning law.

To hear the interview, go to SaratogaWills.com/blog or visit our website, click "Resources" at the top of the page, then click "Blog" to find the link.



Celebrating New Name and Membership in the Saratoga County Chamber of Commerce

Thanks to everyone who joined us in celebrating our firm's new name and membership in the Saratoga County Chamber of Commerce! We loved bringing clients, partners and community together, including NYS Senator Jim Tedisco.

Special thanks to a friend of the firm, Arnold's Farm Fresh Produce in West Charlton, for fresh donuts as well as beautiful pumpkins for our guests to take home.



Adirondack Land Trust Farm Succession Videos Feature Harris-Pero

Megan Harris-Pero provides valuable information in a series of videos produced by the Adirondack Land Trust to help with farm succession planning. Formed in 1984, the not-for-profit works to forever protect the forests, farmlands, waters, and wild places of the Adirondack Park and its communities.

Check out the videos on our website. Go to SaratogaWills.com and click "Resources."



Five Changes That Could Affect Your Assets

We are constantly monitoring changes at the state and federal level that could impact your financial situation or require changes to your estate plan. Below are five changes you should be aware of, going into the new year:

1. Lookback Period May Shorten for Community Medicaid

New York State's 60-month look back period for nursing home Medicaid is still in effect. This refers to the period of time before an application date, reviewed by DSS for uncompensated transfers of funds. Before COVID, New York announced it would move to a 30-month look back period for Community Medicaid (which includes home care and some assisted living facilities). This change has not been implemented, but we are hearing it could possibly go into effect in 2024 or 2025. If you may need Community Medicaid, we recommend contacting us discuss this further. New Medicaid rates are published each year. Check out www.SaratogaWills.com for the latest details.

2. Get Ahead of Changes to Estate Tax Rates

If your combined net worth, as a couple or individual, is around \$7 million or more, you need to take action this year to prepare for changes ahead. At the end of 2025, the *Tax Cuts and Jobs Act* is set to expire, lowering the threshold for federal estate tax exclusion. We have already begun preparing hypothetical models to explain the impact. We recommend speaking with your financial advisor, and setting up an appointment with us to review your estate plan.

In 2024, any estate in New York worth more than \$6.94 million is taxed at a rate between 3.06% and 16%. Because New York has an "Estate Tax Cliff," if your estate is even one dollar over the threshold, the entire estate is taxed. The current 2024 federal estate tax of 40% applies to estates over \$13.61 million for individuals; \$27.22 million for couples. **When combined, federal and state taxes in New York equal about 49% of an estate.** Although the federal threshold seems high, it is set to return to \$5 million, adjusted for inflation, in 2026. The new amount in 2026 is expected to be \$7 - \$7.5 million. It is important for all clients with a total net worth of close to or over \$7M to review your plans with your advisors.

3. Understanding Gifts & IRS Revenue Ruling 2023-2

An IRS ruling released in March 2023 has been causing confusion, but did not change the law. The IRS stated that when you give a completed gift to an irrevocable trust, you do not receive a step-up in tax basis of that asset upon death. These gifts are typically done for estate tax planning purposes, to exclude the asset from the value of your estate at death.

It is important to note that gifts made to an irrevocable trust for the purpose of protecting assets for Medicaid are drafted to be considered incomplete gifts. This means those gifts are included in the value of your Estate when you pass away and they do receive a step-up basis. This ruling did not take away the step-up in basis for Medicaid Asset Protection Trusts.

YEAR	2023	2024	2025	2026
Annual Gift Exclusion Amount*	\$17,000	\$18,000	Will increase with inflation	Will increase with inflation
Federal Annual Estate Tax Exclusion**	\$12,920,000 per person	\$13,610,000 per person	Will increase with inflation	\$7-7.5 M
New York Basic Exclusion Amount	\$6,580,000	\$6,940,000	Will increase with inflation	Will increase with inflation

*How much you can give someone without needing a Gift Tax Return (or using up some of your Lifetime Exclusion Amount)

4. Updating Beneficiary Designations

When a client or family member passes away, we often discover outdated beneficiaries listed for accounts in their plans. While most list a spouse/partner, children, or other family member for their IRA or other accounts, clients are often shocked to find a sibling or even an ex-partner listed. Make it a priority every January to review your designations. You should also review our Estate Planning Closing Letter, included in your plan. It summarizes your documents, showing if you've completed all beneficiary designations.

5. SECURE/SECURE 2.0 Affecting Retirement Accounts

The *Setting Every Community Up for Retirement Enhancement Act* (SECURE) and SECURE 2.0 (enacted 12/22) is impacting many retirement accounts. It requires you to start taking required minimum distributions from traditional retirement accounts at age 73. You can no longer stretch the growth of traditional retirement accounts longer than 10 years when naming an adult child (over age 21) as beneficiary.

If you have not yet spoken with your financial advisor and estate planning attorney to determine whether you need to make changes based on SECURE and SECURE 2.0, call us to set up an appointment.

Have questions about these changes? Not sure if they apply to you? Ready to update your estate plan? Contact us for more information or to schedule an appointment at info@SaratogaWills.com or 518-860-5668.

Your 2024 Estate Planning Checklist

Estate plans often need to be updated. The new year is a great time to review your plan and provide us with any important changes, including:

- Financial Status:** Any big changes in your assets? This could include retirement, inheritance, investments, or the cost of long term care for you or a spouse.
- Personal Status:** Any major changes, such as marriage, death, or a new child?
- Beneficiary:** Should any designations for life insurance, retirement accounts, or your Will be changed?
- Agent:** An agent can act on your behalf while you are alive. Should yours be updated or changed?

If anything has changed or will be changing in the coming year, please contact us.

What is your favorite thing about winter?



1



2



3



4



5



6

1 **Ruta Tomik** Peaceful falling snow

2 **Annie Vigilante-Laughman** Holiday lights

3 **Megan McLaughlin** Winter hiking

4 **Emily O'Halloran** Movie nights, warm sweaters, homemade soup

5 **Megan Harris-Pero** Sitting by the fire and watching snow fall

6 **Amelia Scaglione** Staying in with a good book and hot chocolate

Did we do a good job?



Scan this QR code with your phone camera or visit: g.page/saratogawills/review



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ATTORNEY ADVERTISING

Winter Soup for the Soul

We are deeply proud to work with many New York State farms and agricultural businesses. We asked Justine Denison, of Denison Farm in Schaghticoke, NY to share a favorite soup recipe to warm up this winter. From SimplyQuinoa.com, this is one she shares with her CSA (Community Supported Agriculture) members. Let us know if you enjoy it!



2-4 Leeks
4 garlic cloves
1 Tablespoon [olive oil](#)
2 lbs yellow potatoes
1 Tablespoon [Italian seasoning](#)
1 teaspoon [pepper flakes](#)
Pinch of salt
8 cups [vegetable broth](#)
¼ cup [nutritional yeast](#)
3 cups kale, de-stemmed and chopped

POTATO
SOUP

From SimplyQuinoa.com

1. Cut the ends off the leeks and then cut them in half lengthwise. Wash them under the faucet and be sure you get under the layers since leeks can be pretty dirty. Finely mince the garlic.
2. Heat the oil in a large stock pot. Add the leeks and garlic. Cook for 2 - 3 minutes until the leeks have softened. While the leeks are cooking, cube the potatoes. No need to peel them!
3. Add the potatoes, seasoning, pepper flakes and salt. Cook for 1 - 2 minutes, then add the broth. Bring the soup to a boil, cover and reduce to a simmer. Cook for 20 - 30 minutes until the potatoes are tender.
4. Stir in the nutritional yeast and kale and cook until the kale wilts. Taste and add a bit more salt or seasonings if you need. Serve immediately and enjoy!