

## HAPPY HOLIDAYS 2022

Greetings! As 2022 draws to a close, let's start with a few *legal matters* before we settle into our annual holiday story.

The SECURE ACT of Congress, which stands for *Setting Every Community Up for Retirement Enhancement Act of 2019*, relates to your retirement accounts. Congress is scheduled to pass new regulations in 2023, will require beneficiaries to take an RMD annually. *Now is the time to review your retirement account beneficiary designations to make sure that they will work well within the ACT and coordinate with your own Estate Plan.*

On to the dreaded Estate Tax. Both Rhode Island and Massachusetts tax your estate, when you die. What a surprise! However, if your estate does not pass a certain threshold, that is, after adding up all of your assets, including life insurance proceeds, then your heirs will not pay any estate tax. Uncle Charlie Baker, soon to pass the torch to Auntie Maura Healey and Uncle Dan McKee will each assess an estate tax if your estate is more than \$1M in MA and \$1.65M in RI. The RI "credit" will increase in 2023, but the Taxation Division has yet to issue the new figure. Only surviving spouses may escape this tax, unless they wish to decrease estate taxes to their heirs. *So, please add up your estate and make sure you have taken steps to minimize estate taxes to your loved ones.*

*To learn more about the SECURE ACT and the Estate Tax and to discuss strategies to mitigate the impact on your loved ones, please contact our office.*

Now that I've *almost* put you to sleep, let's finish up with a little holiday bedtime story:

On to the Elves! Santa employs several hundred thousand elves throughout the world, who make toys 364 days each year. Elves do not like to take any time off. Children's toys have become more complex over the years and elves who wish to bubble to the top of Santa's organizational chart really need to hone their engineering skills. Santa's operations have increased exponentially over the years, requiring a ton of logistics, as well as advanced mapping expertise. You see, Santa's North Pole operation simply consists of a few hundred warehouses where certain elves make and store SOME of the toys. Santa could not possibly make all of the toys on the North Pole, inventory them, address them, pack them on the sleigh and deliver them across the world all in ONE Night. Santa is NOT Amazon.

The North Pole is really a vibrant college town, with ELF taking up most of the real estate. ELF happens to be Santa's very distinguished, private college, otherwise known as *Engineers Live Forever*. It's a common misconception that all elves make toys. They do not. Most work at ELF college. As Santa travels on his route, he stops at each "outpost" to reload on toys and continue his mission until the sun rises over the Baker and Howland Islands, where he finally rests with the last crew of reindeer and the sleigh. Now that you have some inside baseball on the intricacies of Santa's most important night, let's examine the lives of a few of his working elves!

The case of Elf Fry & family: Elf Fry is married to June and they have three little elves, Jimmy, Sarah and Emerson. Sarah aspires to be a toy engineer and her life's dream is to be accepted at ELF. Sarah was awarded the prestigious Rudolph Family Foundation Scholarship, which selects one young elf from each North Pole province to study at ELF in its intensive six-year engineering school, gratis. Before Sarah went off to ELF, Fry and June immediately brought her to their local estate planning attorney to prepare Powers of Attorney for Finances and Health Care so that if she became ill, (or just did not want to disclose her grades to her parents), they would have the required legal documentation. Make sure your little elves are protected before they take flight, as well!

The case of Elves Ed & Gus: Ed and Gus are married without any little elves. Ed is the Head Quality Control Plant Supervisor of all of the Euro-Asian Pacific toy manufacturing facilities. Five days before Christmas Eve, last year, Ed was rushing around one of the plants, making his final assessments, arranging meetings with Blitzen and Hermey to discuss Santa's route, complaining about the lack of some toy part that Judy requested in Sicily, due to supply chain issues and needing Rudolph to intervene to get the sleighs up and running *night and day* to supply each plant. Needless to say, Ed was tired when he left the plant that evening. Unfortunately, he fell ill and could not back to work the next day. Ed was always in the charge of family finances. But with him out of commission, Gus had no idea where to begin. They had no Powers of Attorney, no health care documents and no Wills. You get the idea. DON'T BE LIKE ED! Rudolph quickly arranged a special sleigh to transport Gus to Bora Bora, which was no small feat, given that it was so close to Christmas and the reindeer were working overtime. Rudolph had already called back some reindeer, many of those over 250 years old (which is Santa's mandatory reindeer retirement age) pulling them out of retirement in Iceland to assist with some sleigh shifts. Thankfully, Ed recovered and Gus immediately booked an appointment with their local estate planning attorney. WHEW!

The case of Elf Jennah: Jennah has been one of Santa's chief engineers for over 40 years. She is very close to her two nieces, nephew and a good friend. She graduated ELF in 1920, and interned in London, learning the inner workings of the toy building construction industry. Receiving the *Bethlehem Star of Engineering* upon completing the program (and Rudolph pinned it on her!) she chose a plant in Manchester, which was temporarily closed due to disrepair. Jennah always loves a challenge. Unfortunately, she slipped on some battery acid which leaked out of a defective toy, fracturing her skull. Thankfully she recovered, but not until after nine months of hospitalization. Her estate plan was in order, so that her best friend and successor Trustee, was able to pay the bills and her niece, her health care proxy, was in constant communications with the hospital until Jennah regained consciousness. All is well that ends well! Please make sure your estate plan is UP TO DATE.

GOOD NIGHT TO ALL AND TO ALL A GOOD NIGHT!

We wish you and your loved ones a happy, healthy and safe holiday season!

Kim, Kelly, Amy, Diana, Pauline, Robin, Barbara & Susan

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