

2011

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Changes at Redmond, Redmond & Yokom

In honor of 20 years of practicing law, I am celebrating this milestone by having my name put on the firm. The law firm of Redmond, Redmond & Yokom will now be known as the law firm of *Redmond, Streed & Yokom*. The change to the firm name will officially take place on April 1, 2011, as that represents my 20th anniversary of practicing law in Kalamazoo. My office will continue to provide the same estate planning services as I have for the past 20 years. Mary will continue to work with me as we celebrate her 10th year with me and the firm. It has been an incredible 20 years. Thank you for your business and your referrals. We look forward to 20 more great years!

Updating Your Home Insurance

If your home is currently owned by your Living Trust, it is important that you contact your insurance agent and verify that they have your Trust listed as an additional insured. You do not need to add a rider. This addition to your home insurance will allow your successor Trustee to deal with any claims checks or issues that involve your home. Recently a client of mine experienced some storm damage to the house. All of these problems occurred around the same time the client became very ill. Due to some timing issues, the successor Trustee was not able to contact the insurance agent until after the homeowner's death. Having the Trust as an additional insured allowed the successor Trustee to have the check payable to the Trustee of the Trust as opposed to having it paid to the homeowner, who had since passed away.

Is it Time That You Had an Insurance Check Up?

Many of you received an email this fall regarding the Aging 101 seminar I participated in. Part of the seminar included a presentation by Angela Shannon, owner of the Farm Bureau Agency on West Main in Kalamazoo. Angela provided us with some valuable information about making sure that your home and auto insurance policies are up to date. She identified several issues that need to be addressed with your insurance agent. For example, is your home owner-occupied? Are you a snow bird in Florida for several months and leave the home unoccupied? Are your liability limits out of date? Is a family member driving your vehicle on your behalf or have they taken the vehicle under his or her control? For more information on this topic, go to the Estate Planning article section of www.redmondoffice.com and select "Is It Time That You Had an Insurance Check-Up?"

Passwords

If you are someone that likes to keep accounts password protected and have a considerable amount of your asset information under this type of "lock and key", it is important that that information is listed in your estate planning notebook. Alternatively, you should provide that information to your successor Trustee. Many times our clients pass away and information that was subject to their own private passwords is not available to the successor Trustee. It makes it very difficult for the successor Trustee to access the account information or even close out accounts.

**Organ Donation.
Is Your Designation Official?**

In previous years, many individuals have merely completed the back of their driver's license and checked the appropriate boxes to indicate their wish to donate organs. With recent changes, it is now important that you officially register your organ donation wishes with either the Michigan Secretary of State or Gift of Life. For the Secretary of State, you can go into a local Secretary of State office and complete the paperwork or you can go on-line to www.michigan.gov/sos. Alternatively, you can also register with the non-profit organization called Gift of Life. They are best contacted by going to their website at www.giftoflifemichigan.org. If organ donation is important to you, these two options are the best way to ensure that your wishes are honored. Anything short of that is not official, it is just a "wish".

Life Insurance Beneficiary

Many individuals have designated their spouse or a family member as the primary beneficiary of a life insurance policy, either a work policy or a privately held policy. Our office typically suggests that if you have a Living Trust that you designate the Trust as the primary beneficiary and override any previous beneficiary designations. The reason for this is simple. Your Living Trust provides an outline of beneficiaries upon your death and it also provides for a contingency plan. For example, if you have a joint Trust with a spouse and you designate your Trust as the primary beneficiary, your life insurance proceeds would be available to your surviving spouse. However, if your surviving spouse has already predeceased you or is not competent to claim the life insurance benefits, your successor Trustee will be able to make application to the life

insurance company upon your death to obtain the death benefit. Just remember, that if you have a Living Trust, your Trust holds all of the contingency plans and will account for someone predeceasing you. Ultimately, it requires less work in the end as only one beneficiary designation needs to be provided.

If you do not have a Living Trust and have a simple Will, make sure that you review your beneficiary designations to provide for both a primary beneficiary and a contingent beneficiary.

Federal Estate Tax Changes 2011

At the end of 2010, a last minute deal was worked out on the Federal Estate Tax, also known as the Death Tax. At this point, we only know that it is going to be implemented for 2011 with the possibility of continuing in to 2012. The estate tax will only apply to estates in excess of \$5 million dollars and the maximum tax rate will stay at 35%. The estate tax is applied to the gross "value" of your estate. A gross estate is defined as any real estate interest you own, investments, retirement accounts, life insurance death benefits, interest in corporations and/or Limited Liability Company's. If this "eleventh hour" tax deal had not passed, the death tax would have reverted to a \$1 million death tax credit with a maximum tax rate of 55%.

Changing Circumstances That Our Office Would Like to Know About

Have any of these happened to you recently: a birth, a death, a change of employment, an inheritance, change in medical condition, a change in family relationship, marriage, divorce, change of address, change of children's addresses, change of address for your successor Trustee, Personal Representative, medical advocates or agents, opened or closed bank accounts, or changed advisors? If so, it may be important for you to update your estate plan or provide us with updated information.

Michigan Trust Code

In last year's newsletter we referenced the Michigan Trust Code. It has been almost one year since the new Code's enactment date of April 1, 2010. In an effort to educate you on the new Code, I have prepared a simple outline of some of the provisions. The article is on my website in lieu of trying to recite the entire article in this newsletter. Please go to the Estate Planning article link titled "Michigan Trust Code" on my website (www.redmondoffice.com).

Email Addresses

As with anything else, your email address is important to us. If your email address changes or the account is updated, we would appreciate being notified. Keeping your email up to date with our office will keep things current in our file and we will be able to keep you advised of any updates and/or seminars throughout the year. If you had previously advised us that you do not use an email address, but have since obtained one, we would appreciate it if you would contact our office and provide that to my assistant Mary at 269-276-0055. You can also email me at dstreed@ameritech.net or Mary at marylgideon@yahoo.com. If you do not intend on ever having an email, we honor that choice and we will continue to send your newsletter via regular mail.

Our office continues to offer the following legal services:

- ▲ Chapter 7 & 13 Bankruptcy
- ▲ Drunk Driving
- ▲ Criminal Law
- ▲ Minor in Possession
(special focus on college students & young adults)
- ▲ Social Security Disability
- ▲ Workers Compensation