

Estate Tax on the Chopping Block?

By Sarah Ruef-Lindquist, JD, CTFA

For many years now, there has been a tax on wealth you gave away, whether during lifetime, or at death, with some exemptions and thresholds...but the House of Representative HR 1 Tax Cuts and Jobs Act proposed in early November wants to change all of that.



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Currently, you can gift or leave at the time of death \$5.49M without tax; the proposed legislation would double that amount, and phase it out entirely after 2023, for gifts made through estates. The lifetime limit on gifts free of tax would remain the same.

That doesn't impact about 99% of the US population. In Maine, estates in excess of \$5.49M are by far the exception to the rule. However it would impact much of the population if the so called "step-up in basis" were repealed along with the estate tax.

Essentially, the consolation prize for having an estate tax of up to 40% was that heirs were able to use the date of death value for their basis when selling inherited stock. This is almost always preferable to using the decedent's cost basis which is often much lower, resulting in a larger capital gains tax when the stock is ultimately sold.

The good news is that the "step-up-in-basis" provision is not slated for repeal in HR 1. What the final language will

ultimately be for tax reform is unknown, but for those of us who deal with the issue of planning, it's nice to think that this part of a familiar planning strategy might not be on the legislative chopping block.

For many years, people in the process of planning for their estates, and whether to give children certain assets during life or at death has involved consideration of whether you wanted to give the gift of low basis (also known as "carryover basis" which I call affectionately call "the gift that keeps on taking" because of the impact on capital gains) or leave an asset at death to allow for stepped-up basis to accompany those assets. Many planning decisions have been made over the years with that structure in mind. If it changes, there could be some folks going back to the drawing board on their estate plans.

Sarah Ruef-Lindquist Takes Part in Panel Discussion at Maine Planned Giving Council Meeting



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JD, CTFA

Sarah Ruef-Lindquist, JD, CTFA, a financial planner at Allen Insurance and Financial in Camden, recently participated in a

panel discussion at the Maine Planned Giving Council's conference held in South Portland attended by approximately 150 professionals involved in the gift planning industry.

Attendees included development professionals and executives from non-profit organizations, and professionals who advise donors in estate or financial planning, including attorneys and accountants, from across the state.

Ruef-Lindquist has had a role in planned giving as an attorney, former trust officer and philanthropic advisor and consultant to non-profits across New England. She previously served as vice president for Southern Maine of the Maine Community Foundation and CEO of the Maine Women's Fund.

Along with Kristen Farnham, Vice President of Development at Spurwink and Sarah McPartland Good, Director of Planning Giving at the University of Maine Foundation, Ruef-Lindquist led more than 40 people in a discussion about marketing planned giving, noting that one size does not fit every organization.

Ruef-Lindquist and the other panelists provided examples from organizations large and small, including universities, colleges, land trusts, social service organizations and others, demonstrating how to best reach those whose passions and loyalties to the mission of a particular organization compel them to consider making gifts through their planning to them.

Planned gifts often support building the long-term funds of organizations, including their endowment, and serve as a means of providing financial sustainability for the long term. Because of the projected intergenerational transfer of a vast amount of wealth occurring now in the U.S., the topic is of great interest to organizations and the advisors working with their donors.

Amanda Corson Now Licensed to Sell Life Insurance in Maine



Amanda
Corson

Amanda Corson, a personal insurance account manager in our Southwest Harbor office, is now licensed to sell life insurance in Maine.

Our Southwest Harbor office operates as L.S. Robinson Co., the independent insurance agency which has served Mount Desert Island since 1932.

“Expanding her insurance knowledge to life insurance will allow Amanda to better serve our agency’s personal insurance customers,” said Scott Carlson, manager of the personal insurance division at Allen Insurance and Financial.

Meesha Bodman Named Young Professional of the Year



Meesha Luce
Bodman,
ACSR

Meesha Bodman, ACSR, a member of the personal insurance team at Allen Insurance and Financial, has been named Young Insurance Professional of the Year by the Maine Insurance Agents Association.

Bodman is a member of the MIAA Young Agent Committee, which was founded in 1982 as a way for agents younger than 40 to break into a veteran industry. Bodman received her award Oct. 19 at the MIAA-YAC annual meeting in Portland.

Bodman joined Allen Insurance and Financial in 2006. A people person, she enjoys meeting with clients and working with them to meet their insurance needs and in 2016 earned her license to sell life insurance in Maine.

She holds an Accredited Customer Service representative (ACSR) designation. A graduate of Medomak Valley High School, Bodman lives in Hope where, outside of work, she enjoys spending time with friends and family.

“All of us here at Allen are incredibly proud of Meesha’s professionalism and commitment to both customers and community,” said Scott Carlson, personal insurance division manager at Allen Insurance and Financial. “Meesha is a real embodiment of our company’s values.”

Christopher Beaulieu Joins Our Financial Planning Division



Christopher
Beaulieu

Christopher Beaulieu of Waterville has joined Allen Insurance and Financial as a broker-dealer assistant. He is the third generation of his family to work for the company's financial planning division.

Beaulieu is a graduate of Belfast Area High School and a student at the University of Maine at Augusta. His father Brian Beaulieu is a financial planner with Allen Insurance and Financial and is based in Belfast. His grandfather, Gary Beaulieu, who retired in 2000, was the first financial planner working for what was then Allen Agency/Allen Financial Group.

At the Allen Insurance and Financial office at 18 Common St. in Waterville, Christopher Beaulieu is working as an assistant to Norm Hart, financial planner. Allen Insurance and Financial opened its Waterville office in 2016.

"I have always believed in helping others, and here at Allen I will be given many opportunities to do just that," said Beaulieu. "I am proud to follow in the footsteps of my father and grandfather. That makes my work here even more gratifying."

Outside the office, Beaulieu enjoys playing soccer, running and biking as well as spending time camping, hiking, hunting and fishing in the Maine outdoors.

Important Information for Those Who do not Have Employer-Sponsored Health

Insurance

Open enrollment is when you can change plans or change insurance companies. The open enrollment period for individual health insurance coverage for 2018 under the Affordable Care Act has been shortened significantly to Nov. 1 through Dec. 15.

We are working with as many of our existing customers as possible. We will not be taking on any new individual health customers.

For more information, please read our [October Individual Health newsletter](#), distributed to our customers on Tuesday, Oct. 10.

Good News for Maine Non Profit Organizations

By Sarah Ruef-Lindquist



Sarah Ruef-
Lindquist,
JD, CTFA

According to **Giving USA 2017**, philanthropy grew to a record \$390.05 billion in 2016 to U.S. charitable organizations, 2.7% more than 2015, another record-setting year. It may have helped that personal consumption and disposable income were up by almost 4%, and that the S&P ended the year 9.5% higher than it began, despite a politically tumultuous year. The annual report

is an ongoing collaboration of the Giving USA Foundation, the Giving Institute and the Lily Family School of Philanthropy. Here in Maine, we don't have the 2016 data just yet, but the most recent Giving in Maine 2017 Report shows that individual giving in 2014 was over \$451 million, up about 4% from the previous year.

Many years, Maine falls into the bottom 3 or 4 states in terms of total annual charitable giving. But Mainers are generous when it comes to making gifts to charities through their estates. Maybe they can't afford to share more of their wealth while they are alive, but when they're gone, they remember their favorite community organizations as if they were a member of the family. Looking deeper into the data over the past 7 annual reports, Mainers have giving almost \$800 million to charity through their estates or bequests, an average of \$100million per year, according to the Maine Philanthropy Center's reports. While the dollars may be fewer in comparison to many other states, the average frequency of estates making gifts to charity is often higher. Data collected by the Maine Philanthropy Center has shown that 27% of taxable estates in Maine – versus 20% nationally – make charitable gifts. That's a significant number, and speaks to the thoughtful generosity of people who care deeply about their communities, making gifts when it makes sense for them. That's good news for Maine non-profits.

Our Latest Medicare Newsletter

– Open Enrollment Starts 10/15

Plan information for 2018 will become available Oct. 1. By that time you should have received an Annual Notice of Change (ANOC) from your insurer explaining how your plan will be changing for 2018. If you have questions about your coverage or need to make a change, open enrollment is a great opportunity to do this.

Open enrollment starts Oct. 15 and ends Dec. 7. Plan changes take effect Jan. 1.

[Here's a link to our newsletter.](#)

Newsletter for Non-Profits, September 2017



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Newsletter
for Non-
Profits
September
2017

We're pleased to share the September 2017 edition of our Non-Profit Navigator. [Click here to read it \(PDF, new window\).](#)

Topics in this edition include Giving Trends, Directors and Officers Liability coverage; the Employee Retirement Income Security Act (ERISA).

If you would like to receive this newsletter by email, please

contact Sarah Ruef-Lindquist at srueflindquist@allenfg.com.

What is Directors & Officer Liability Insurance?

What is Directors & Officer Liability Insurance?

Directors and officers liability insurance protects past, present and future directors and officers of non-profit organizations from damages resulting from alleged or actual wrongful acts they may have committed in their positions. The policy provides protection in the event of any actual or alleged error, misstatement, omission, misleading statement, or breach of duty.

What does Directors and Officers liability insurance cover?

Criminal, administrative, civil, and regulatory proceedings based on actual or alleged acts, errors, omissions, misstatements, neglect, or breach of duty committed or allegedly committed by a director or officer are covered with Directors and Officers liability insurance.

Why is Non-Profit Directors & Officers Liability Needed?

1. To protect the personal assets of board and committee members
2. Maine statutory immunity does not apply to the types of claims that arise out of actions as a board or Committee member
3. The Personal Umbrella carried by a Board Member may not extend over their actions on the Board or its committees
4. The bylaws of the organization require that the entity protect and indemnify the board member in the event of a suit against them. This obligation is fulfilled by the organization

carrying D&O coverage including Employment Practices Liability.
5. D&O claims are not covered by the organization's general liability policy

By volunteering, you're helping take care of others

If you sit on the Board of Directors of a non-profit organization, you have gone out of your way to help others. Make sure you take care of yourself, too. Every board member should request an annual review of the organizations bylaws and directors & officers liability Insurance. This will be beneficial for current and new members and provide an opportunity to ask questions.

By [Richard Crossman, CIC, CRM](#)