

2007

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### Update on the Law Offices of Redmond & Redmond

Although this newsletter is designed to give you updated information on various estate planning issues, it is also important that I remind you that the law offices of Redmond & Redmond provides other legal services for you, your family and friends. Not only does our office provide estate planning services, but my husband Todd Redmond continues to provide bankruptcy services and our associate Jeff Dufon provides criminal law services such as drunk driving related issues, driver's license restoration, misdemeanors and juvenile law.

We are also pleased to announce that as of March 2007, Attorney Matt Yokom is joining our office. He will be providing legal services related to workers compensation and Social Security/Disability. If you go to our website there is a link to "redmondoffice.net" and you can obtain more information about the services provided by Todd, Jeff and Matt. Please continue to call us on any legal services that you may need. If we cannot assist you we are more than happy to refer you to one of the many other attorneys that we collaborate with for other legal services.

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### **OUTDATED DURABLE POWER OF ATTORNEY**

Many of my clients come in with Durable Powers of Attorney that were signed over 10 years ago. Many are concerned that their Durable Power of Attorney may no longer be accepted when presented to a financial institution. Although this issue has not come up in every situation, there is a simple way to plan for the unexpected. If your Durable Power of Attorney was signed over 10 years ago, there is a simple way to bring it up to date. If there is enough room on the last page, simply type or write in the following language:

*"I reconfirm the validity of this Durable Power of Attorney this \_\_\_\_\_(date)"*

You should sign your name and have your signature notarized again. If you do not have enough room on the last page of the Durable Power of Attorney, merely take an additional sheet of paper and complete the same information and attach that page to the existing

Durable Power of Attorney. This new signature and notary will reconfirm for each financial institution that although the document is over 10 years old, you reconfirm its validity. This activity can eliminate the need to redo the Durable Power of Attorney, which will in turn eliminate additional legal fees for you.

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### **YOUR TRUST DOCUMENTS**

Throughout the course of the year our office is asked to fax or send copies of your Durable Power of Attorney, Medical Advocate, Certificate of Trust and/or Trust agreement to various institutions. Many of the clients that contact us forget that when they signed their documents, two original sets were signed and one set was retained by the client. Although we are happy to try and assist you in situations where copies of your documents are needed, we would ask that you rely on your set of originals first and turn to us as a back up. Unfortunately, we are not always able to immediately attend to the request. If either my assistant or I remind you that the same documents that you are requesting are in your possession, please do not assume that we do not want to assist you. It is just our hope that you become familiar with the documents in your file and use them as frequently as possible.

### **RECORD RETENTION POLICY**

Click here to access our updated Record Retention Policy.

<http://redmondoffice.com/pdf/rr-privacy.pdf>

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### **UPDATES TO YOUR ESTATE PLAN**

The estate tax laws for 2007 will continue to hold at the \$2 million exemption per person. Therefore, under Federal and State of Michigan death tax guidelines, with the proper planning each person can pass up to \$2 million dollars death tax free. To the extent that you planned for the \$2 million exemption, there would be no need to review or update your documents to account for any changes. In addition to the death tax, you can also make lifetime gifts in the amount of \$12,000 per person and neither the receiver nor the giver need to report the gift.

Some of the changes that may require a review or update to your estate planning document could include some of the following:

1. *Divorce*. If you have recently divorced, your estate planning documents probably name your spouse as the medical and financial Power of Attorney. Divorce does not automatically negate your appointment of your spouse in that capacity. You will need to amend these estate planning documents and designate a new individual to act.

If you have set up a joint Trust and are no longer married to the joint owner, you will need to revoke the joint Trust and consider setting up an individual Trust to protect the assets you have retained in your individual name. If you have set up a simple Will and have named your spouse as the primary beneficiary, there is no need for an immediate amendment for the reason that divorce does treat the spouse as if he or she has predeceased you. However, you may want to revisit some of the terms of the Will, including the appointment of a new Personal Representative and/or a review of Guardian/Conservator provisions for minor children.

2. *Remarriage*. If you have recently remarried, you need to review your estate planning documents to make sure that you have not omitted your new spouse either intentionally or unintentionally. There are probate laws that address the rights of an omitted spouse. If it is your intention to exclude a new spouse from your estate plan, it is important that you make that statement in your Will or Trust amendment to avoid any confusion at the time of your death. If you have not provided for your new spouse, such as lifetime use of the home and/or a lifetime stream of income, you also need to consider amending your estate planning documents to address these options.

3. *Death of a Spouse*. Sometimes we will receive a call after a husband or wife has died to question whether or not the surviving spouse needs to change the estate planning documents. In most situations, the documents are set up during the course of both lifetimes and account for the death of one spouse and the survival of the other. At the first spouse's death there is very little need for any change to your estate planning documents. The only change that we have encountered is the need to begin using the surviving spouse's Social Security Number on most joint accounts and the need to roll over any IRA's from the deceased spouse into the surviving spouse's own IRA account. If you work with an advisor or financial institution, they will be able to assist you with these

financial changes. For many widow or widowers, reviewing your estate planning documents and the individuals that you have named to act on your behalf in the event your spouse has predeceased you is something that should be addressed at that time. Many times the death of a spouse can bring out different personalities within your family and/or children and this may be a good opportunity for you to determine if the individual that you have named as your financial or medical decision maker is still the best person for you.

4. *Division of Assets*. It is important to review your asset information on an annual basis. If you have recently sold real estate or acquired real estate, you need to make sure that the ownership of that real estate is properly titled. If you have a Living Trust, either individual, joint or two trusts, we need to make sure that the real estate is properly titled in the name of the Trust. If you have changed employers, you may need to review the designation of beneficiaries of any retirement plan or company paid life insurance. If you have opened new bank accounts, brokerage accounts, Certificates of Deposits or other non-retirement accounts, you should review the ownership of those accounts to make sure that they are properly titled. For example, there would be no benefit to having a savings account joint with your child if you intended for the assets to pass into your Living Trust and be divided equally amongst all of your living children. Sometimes accounts are titled improperly because we are faced with making quick decisions at the time of opening the account and these accounts can easily be modified so that they are aligned with your estate planning wishes.

If you work with a financial advisor, you should take a few moments and review the year end account information that you receive and if you have not received a recent statement or update of your accounts or policies, you should request that information be provided to you in writing so that you will have a reference as to how those accounts are owned or who has been designated as the beneficiary.

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## EMAIL ADDRESSES

If you have an email address and are comfortable having my office contact you through that address, please email my assistant Mary at [mhendrixon@ameritech.net](mailto:mhendrixon@ameritech.net) so that I can update my files. In the future, we would like to email this newsletter to you.