

SMART PLANNER

Useful Tips for a Better Tomorrow

Spring 2020

Love and Kindness in the Time of Coronavirus



We are living in some pretty surreal times right now. Things are changing so quickly that it's almost impossible to keep up with the news. Our daily routines have been upended, and our daily conversations with friends and family are all focused on the same topic: the coronavirus.

Few among us have ever lived through a crisis so intense and so global in nature. It's no wonder that our stress and anxiety levels are through the roof. But humans are amazingly resilient and adaptable creatures. Even in the midst of all the uncertainty and chaos, people are finding beautiful ways to extend small kindnesses and create joy.

In Italy, a country especially hard hit by the pandemic, neighbors are serenading each other from balcony to balcony and filling the streets with uplifting music that belies their generous and indomitable hearts.

In communities all across America, people are reaching out to neighbors and strangers alike.

- Younger, healthier people are offering to do the shopping for older folks who are more at risk for serious health complications and afraid to go into stores.
- Communities are rallying around the small businesses whose survival is in jeopardy due to coronavirus shutdowns—buying gift certificates to keep these mom-and-pop eateries and shops afloat.
- Young and seasoned musicians alike are roaming the streets or setting up on their porches to deliver impromptu concerts to audiences composed of people spaced the requisite six feet apart per social distancing recommendations.
- Restaurant customers are leaving thousands of dollars—often anonymously—in “tips” to help struggling establishments pay their staff even while closed or reduced to minimal takeout-only operations.

And it's not just regular folks who are showing such empathy and generosity. Sports, music, and other celebrities are stepping up in a big way. Cleveland Cavaliers basketball star, Kevin Love, donated \$100,000 to help arena staff who were out of work due to event cancellations. Actor Eric Stonestreet from the popular TV show “Modern Family” donated 200,000 meals to the Kansas City food bank. Actors and astronauts are reading children's stories out loud to help entertain the millions of kids stuck at home, Massimo

Please Note . . .

Taking care of our clients, our staff and the communities we serve is at the center of everything we do.

We are taking all necessary precautions and doing all we can to make sure you have access to us when you need us and that our staff has a safe workplace environment.

If you'd rather not come to the office, give us a call to schedule a time for an attorney to meet with you via phone or video conference.

We understand the many challenges posed by this outbreak, and genuinely feel for the many families and organizations who are at risk during this time.

At some point, this will pass. But in the meantime, please let us know if we can be of any help – you can count on us at times like this.

Thought for the Day

“How old would you be if you didn’t know how old you were?”

– Satchel Paige



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It's Time. Plan Today for Your Tomorrow.

New Connecticut Laws: How Will They Affect Your Estate Plan?

If a trust is part of your estate plan, you should pay attention to a new Connecticut law that went into effect January 1st.

Chances are you would not be interested in reading the recently adopted Connecticut Uniform Trust Code (UTC), which is over 100 pages long! But there are provisions in this legislation that we feel you should be aware of.

Some of the changes provide you additional benefits of having a trust, and others may cause you to consider updating the trust you have in place. Here are the changes you should know about:

1. Courts, in some circumstances, now have the authority to amend or terminate an irrevocable trust if it finds that the beneficiaries all consent and that the change does not violate a material purpose of the trust.

Wait a minute. Your trust is a legal document that states your wishes. You created this estate planning document in the first place to specify exactly how you wanted everything distributed after you're gone. **How would you feel if a court changed what you intended for your beneficiaries?**

It depends on how you feel about unforeseen circumstances. Take this example of a change in your family situation: Your son has a history of substance abuse, so you set aside his inheritance in trust for his life, but he straightens out his life at age 30 and files a motion in court to modify your trust so he can now directly access all that you've bequeathed to him. In this scenario, it is possible the court will direct that the trustee distribute your son's share directly to him, in spite of what his trust states.

Depending on your objectives, you may be pleased that the court would recognize your son's recovery and provided him with access to his inheritance or you may feel angry that the court would base its assumption on mere recovery and not on other personal factors that weren't clearly stated in the trust.

THE GOOD NEWS...

You now have the power to limit a court's ability to make changes to your trust.

You can add language that clearly specifies the purposes for which your trust was established and thereby prevent a future modification that would defeat those purposes. To reduce or eliminate the chances of a misinterpretation of your wishes, we recommend setting some guardrails within which a court would be confined should a beneficiary make a motion to a court (after you die) to modify or terminate the trust document you created for them.

Keep in mind that the UTC does not apply to a revocable living trust during your life, although the new law does affect the trust once you are deceased. The ability of the court to change a trust under the new law applies only to trusts that are irrevocable.



2. Your trust beneficiaries will be better informed – about their rights as beneficiaries and about activities related to the trust. The new law imposes new reporting requirements on the trustee to keep the beneficiaries reasonably informed about the trust's administration, which includes a duty to provide an annual report that summarizes how the trustee has managed the assets in the trust.

3. You can now designate a representative to receive information on behalf of a beneficiary – which is helpful if your beneficiary has a disability that might make it difficult to understand the information. This is also helpful when there are concerns about sharing sensitive financial information with a beneficiary who has mental health, substance abuse or other personal challenges.

4. Trustees will have more guidance as to what is expected of them, as the Code now includes provisions that list a trustee's powers and duties. So those you choose for this important role will now have a better understanding of their role.

5. Your trust can provide your beneficiaries enhanced protection from creditors. The new law provides that a beneficiary's creditors can't seize trust assets, even if the beneficiary is the trustee of their own trust, or seek a court order compelling a distribution to the beneficiary. The trust must include specific distribution language—most commonly referred to as a “general support” standard—but it provides the trustee/beneficiary with very broad authority. This is important for example, if you want to shield your assets for your child in the case of his or her divorce, preventing your child's ex-spouse from accessing what's in the trust. It's also helpful for beneficiaries who are business owners or who are employed in high-risk occupations, like the medical field. This has always been the case when a trustee and the beneficiary are different individuals, but now your child may also serve in the role as their own trustee so that they can maintain control of their own inheritance.

6. You can have your trust continue for a longer period than before, enabling you to set up a multi-generational trust. This can be a useful tool if you have a child who has a sizable estate of his or her own because the trust can prevent the assets from being taxed in the child's estate. A multi-generational trust might also make sense if you have a special asset that you want to preserve for many years into the future, such as a family business or special vacation property.

Store those clothes!

Soon it'll be time to swap out your clothes! Here are some tips to keep your winter clothes fresh as you put them away for next year:

- ① **Clean everything.** Wash or dry-clean any garments that have been worn. "Yes, this is a drag" – but some stains emerge over time, and moths, silverfish, and other creepy crawlies feast on sweat and food residue.
- ② **Make pests feel unwelcome.** Use lavender sachets or cedar wherever clothes are stored. Bugs despise the scents.
- ③ **Use canvas bins.** Clothes made from natural fibers need air circulation, because moisture trapped in the fabric can result in molds, mildew, and a musty smell. Clothes can also be stacked and covered with clean old sheets. If using plastic bins, poke holes in them and store in a cool, ventilated place.
- ④ **Hang your Sunday best.** Tailored garments should be hung on padded or wooden hangers and enclosed in breathable garment bags or covered with a sheet. If you don't have the space, fold the garments with tissue paper and store in bins.



(Source: *Real Simple*)

7. **You may insulate your own assets from creditors.** Connecticut now allows Domestic Asset Protection Trusts (DAPT). Under a DAPT, you may, in limited instances, transfer assets to an irrevocable trust, name someone else as trustee, and shield the assets you transfer from your own creditors. There are many specific conditions that you must satisfy, but this technique takes asset protection planning to a new level.

Changes in Connecticut trust law don't affect us all, but if you have a trust and think you need to make some adjustments, you will want to call us to set up an appointment. And if you don't have a trust, now is a good time to learn how a trust can help you plan for your future needs and provide for your family. ■

WHAT'S UP WITH US . . .



Join us in welcoming our new attorney **Erin Duques**. Erin will be working in our Madison office helping our shoreline residents with estate planning, asset protection, Medicaid and special needs planning. Erin currently serves her community of Madison on its Board of Selectmen. We hope you'll go see her when she's out and about speaking in the community!

Love and Kindness

(continued from front cover)

Bottura—an Italian restaurateur and the chef patron of a three-Michelin-star restaurant in Italy—is giving delightful cooking lessons via his Instagram account. And countless musicians from Willie Nelson to John Legend to Yo-yo Ma are offering free, livestream concerts from their living rooms.

Sometimes, a crisis really does bring out the best in people.

The interesting thing is how forced isolation and social distancing actually seems to be bringing us all closer together. We are suddenly very aware of how connected we are to each other. We are realizing just how much we have taken for granted—meeting

friends for coffee, holding hands, walking a crowded city street. We are awakening to the reality that the only way we will get through this is if we work together and look out for each other.

There is no question that this is a very trying time. People are scared and suffering. Each day we have to navigate unfamiliar territory. But out of great trials come great heroes, large and small. We are all of us grateful for the many heroes from all walks of life who are stepping up to play a small part in making these days brighter for the rest of us. Whether that's offering to run errands for an elderly neighbor or making a donation to a local food bank or sharing your art, every small gesture generates waves of positive vibes that ripple out to others. The coronavirus may be contagious, but so are love and kindness.

It's Time. Plan Today for Your Tomorrow. Call us at (860) 236-7673.

All of us at the firm are concerned about you and your family's well-being. While we are each practicing counting our blessings, we are also looking for ways to continue serving you and the community.

Please know, that by a phone or video conference consultation, we can easily provide counsel to you when you are in a crisis with a loved one. Or when you decide that now would be a good time to create or update your estate plan. It is important to plan in uncertain times and indeed these are uncertain times.



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