



*guiding you through life's **most crucial** legal decisions*

Spring 2021

(507) 288-5567

Jennifer Gumbel Joins Law Firm

Jennifer Gumbel has joined the law firm as an Associate Attorney. Jennifer has several years of experience in the areas of estate planning, probate, and real estate law. Jennifer has a special interest and background in estate planning for international families. Learn more about Jennifer in this Q&A.

Q: Where did you grow up? How long have you lived in the area? Tell us about your family.

I was born and raised in Sioux Falls. My dad was a CPA and my mom was a bookkeeper for a number of years. My husband and I attended the University of Minnesota and came to the area after he graduated. I joined him once I graduated from Drake Law School in Des Moines. We live with our four kids in LeRoy.



Q: Tell us about the events that led you to where you are now (i.e. education, career path).

My initial plan wasn't to be a lawyer. I wanted to teach. After shadowing an attorney in Brandon, South Dakota, I realized that estate planning and probate is largely educating the client in how to leave a manageable to-do list or walking them through dealing with the to-do list they were left. I'm also fluent in German and studied international legal systems, so I especially like helping international families with their estate planning needs.

For a number of years, I was a part owner in a law firm in Fillmore County and prior to coming to Wagner Oehler, Ltd., I worked as an associate attorney in Austin, doing primarily estate planning, probate and real estate.

I do a number of presentations including teaching continuing legal education classes for other attorneys. I'm also the creator of the website and podcast, An Organized (after) Life.

Q: What else would you like us to know?

I want people to understand that legal documents are incredibly important, but that leaving a manageable to-do list also means making sure your assets are following the plan your legal documents set out.

Our office doesn't simply create wills and trusts. We strategize with you to determine a plan that will minimize the legal issues your family will have to deal with. We create the documents to set up that plan and show you how to set up your assets to coordinate with the plan.

Obtaining Court Records Online Just Became A Lot Easier

The Minnesota Judicial Branch just launched Minnesota Court Records Online (MCRO), an online platform for publicly and freely accessing district court records. This is part of a years-long project of the Minnesota judicial system to provide greater online access to public court documents without needing to physically go to a courthouse or law library. While providing the public access to public documents is a necessary part of a transparent judicial system, we have long been concerned with how this impacts the right of privacy.



For many of our clients, their biggest privacy concern when it comes to the court system is probate records. These records can contain a lot of private information, including their will, the names and addresses of heirs, the value of someone's estate, the debts they owed, and the amount a person inherits. Now anyone can access all public documents in all public formal probate, other probate, guardianship and conservatorship, and trust case types filed on or after July 1, 2015 using MCRO. These privacy concerns, along with the often relatively slow administrative process involved with probate can lead many to seek to avoid probate altogether.

One alternative to allowing your estate information to be subject to probate and being so easily accessible is to establish a trust-based estate plan. Contrary to this public, will-based plan, a trust-based estate plan is private. This is because trusts are not submitted to probate. Like a will, a trust is used to direct the handling of your affairs and assets when you are gone. While many of the fears about probate are unjustified, there are still some valid reasons for avoiding probate. To determine if you should have a will or a trust, you should consult an experienced estate planning attorney as there may be other ways to avoid probate than a trust, depending on your situation.

With the ever increasing "interconnectedness" of the world, everyone has to be vigilant in maintaining the level of privacy they deem appropriate. For individuals seeking to keep their financial and family information from become publicly and freely accessible on one platform, it may be time to review whether the estate plan accomplishes that goal.

Tax Day for Individuals Extended

The Treasury Department and Internal Revenue Service have announced that the federal income tax filing due date for individuals for the 2020 tax year will automatically be extended from April 15, 2020, to May 17, 2021. The State of Minnesota has also announced a grace period for taxpayers filing their annual Minnesota Individual Income Tax return for tax year 2020. Taxpayers in Minnesota will now have until May 17, 2021, to file and make their payments without any penalty or interest.



529 Plans & Estate Planning

May 29 is National 529 Day! Section 529 Plans are not only a great way to save for college, they are also an essential estate planning tool as well. Minnesota adds some tax incentives to make this an even more attractive option.

What is a 529 plan?

A 529 plan is a tax-advantaged savings account that is intended to be used for college expenses. The plans are administered by each state (including Minnesota), and a family can invest in most states' plans. Funds invested in the plan grow tax free, similar to a traditional IRA or 401K. Distributions from the plan are not taxable if used for qualified college expenses, such as tuition and books.

This means that funds in a 529 plan are both protected for a specific, future use, but also that there is no tax drag on the accumulation of assets. Much of estate planning seeks to accomplish these objectives!



What is the tax incentive?

In Minnesota, a family investing in a 529 plan could be eligible for either a deduction or a credit. The credit is equal to half of the contribution for the year, with a maximum credit of \$500. The credit is phased out for individuals and married couples with higher incomes. On the other hand, there are no income phaseouts for the deduction. The deduction is equal to the amount of the contribution for the year, up to \$3,000 for married couples or \$1,500 for individual filers. A person may claim only the credit or the deduction.

Do we have to use the Minnesota 529 plan?

No. The tax incentives are available for contributions to any qualified account. As long as the account is recognized as a 529 plan by the IRS, it qualifies for the tax incentives.

How is college savings part of our estate plan?

Section 529 plans are a great way to supercharge gifting, which is an effective way to reduce the size of a person's taxable estate. Typically, a person is limited by the annual exclusion gift amount of \$15,000 per person before running into taxable gift issues. However, if the gift is made into a 529 plan, the exclusion limit is multiplied. Section 529 allows gifts to be made five years ahead, all at once. This means a parent or grandparent could gift up to \$75,000 per child/grandchild in one year with no gift tax implications. If a person had five grandchildren, a fully funded 529 plan for each grandchild would remove \$375,000 from that person's estate.

It's also important to remember that college students should prepare health care directives and power of attorney forms so that someone can act on their behalf if needed.

Office Hours and Locations

Rochester: 1801 Greenview Drive SW, Ste. 102

Monday – Thursday 8:30 – 4:30

Friday 8:30 – 3:30

St. Charles: 819 Whitewater Ave

Tuesday 12:30 – 4:30

Thursday 9:00 – 12:00

By appointment

Red Wing: 419 Bush Street

Tuesday 9:00-5:00

By appointment

To schedule an appointment in any of our offices, call (507) 288-5567. You can also book appointments online at www.wagnerlegalmn.com/book-online for appointments in Rochester.

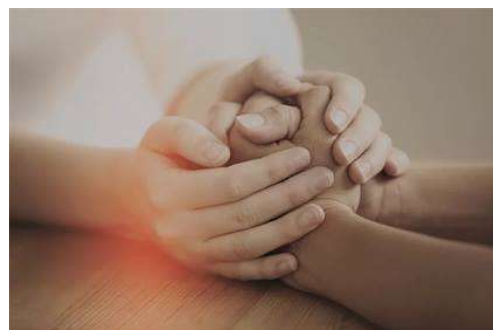


Spring Seminar Schedule

Are You Protected? What Can They Take Out of Your Wallet?

- **April 22nd at 10:00 a.m.**
Rochester Community ED
- **May 5 at 6:00 p.m.**
Rochester Community ED

Please register through Rochester Community Ed at (507) 328-4000/ www.rochester.ce.eleyo.com.



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