

DECEMBER 2024

# Piece Of Mind

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## A Legacy Forged From Rivalry

Bill was a man of considerable wealth, boasting a fortune of \$100 million. In contrast, his aunt, Caroline, with her \$50 million, often felt overshadowed by her nephew's success. Despite her riches, Caroline was the self-proclaimed queen of New York society, a title she held with pride. Bill, however, was a social outcast, frequently reminded of his inferior status by Caroline.

The tension between them was palpable, especially as they lived side by side in opulent mansions. Every January, Caroline hosted an exclusive ball, inviting only 400 elite guests. Despite his wealth, Bill was conspicuously absent from the guest list, a slight he could hardly bear. In a bid to assert his status, he devised a plan: He would demolish his mansion and construct a towering 13-story hotel that would cast a shadow over Caroline's grand four-story residence.

Bill succeeded in his mission, and soon, Caroline decided to leave her home and hire an architect to design her next mansion far away from her nephew's looming hotel. But her departure only fueled the competition; she announced plans for her own hotel that would surpass Bill's in height, luxury, and exclusivity.

***“It's never too late to extend  
a hand of love and rebuild  
connections that matter.”***

Faced with the prospect of ongoing rivalry, Bill's hotel manager proposed a solution: connect the two hotels. This collaboration would not only enhance profits but also prestige. To manage future disputes, they would design the connecting passages to be easily sealed, if necessary.

Ultimately, the construction was completed, and the two hotels were joined, marking a new chapter in their relationship.

Instead of continuing their feud, Bill (whose last name was Waldorf) and Caroline (whose last name was Astor) created what is now known as the Waldorf-Astoria.

Their story serves as a powerful reminder of the importance of reconciliation. It took years of hurt feelings and rivalry for Bill and Caroline to realize that their shared success was far more valuable than their petty differences. As the holiday season approaches, it presents a perfect opportunity for all of us to reach out and mend relationships that may have been strained.

We can learn from Bill and Caroline's experience: It's never too late to extend a hand of love and rebuild connections that matter.

*-John M. Preston*

# Gifts Rules 2024

## How Much Can You Give Without Triggering a Gift Tax Return?

Since it's the season to "gift," there are some rules that you need to remember. The IRS doesn't like when you give gifts to your loved ones or anyone. Consequently, there is a maximum amount that you can gift before you need to file a Gift Tax Return. This year (2024), the maximum amount is \$18,000. Next year (2025), the amount increases to \$19,000. To be clear, that is the maximum amount that can be transferred per transferor, per transferee, per year.

For example, a married couple with four children could transfer a total of \$144,000 this year without filing a Gift Tax Return. One spouse can transfer \$18,000 to each of the four children for \$72,000, and the other can transfer the same amount to each of the four children for a total of \$72,000 or a grand total of \$144,000. The total for this illustration becomes \$152,000 on Jan. 1, 2025.

But be careful; many of our clients ask if they can just "add" their children's names to a bank or brokerage account. Or "add" their children's names to the deed to their real property. For the purposes of this article, I will ignore all the reasons why this is not a good idea and why this can result in serious negative consequences. I will simply focus on the "gift" consequences. When you add a person's name to an asset, you give them value, which is considered a gift. This should not be confused with adding a child as a Co-Trustee when registering an account in the name of your Trust. No value is given to the child serving as a Co-Trustee; consequently, no gift is given.

If you make a gift over the maximum amount allowed by law in the year of the gift, you need to file a Gift Tax Return (Form 709). Keep in mind that filing the form does not necessarily mean you need to pay a tax. So, that begs the question, "Why do you have to file the Form if there is no tax to be paid?" Because the IRS wants to keep track of the amount that you exceed the limit. This is because your Federal Estate Tax Exemption applicable at your date of death is reduced by the amount you exceeded the limit. For example, this year (2024), the Federal Estate Tax Exemption is \$13,610,000. If you were to make gifts over the applicable limit in the amount of \$1,000,000 and you were to pass away this year, your Federal Estate Tax Exemption would be reduced to \$12,610,000 (\$13,610,000 minus \$1,000,000 made in excess gifts).

What happens if the gift exceeds the annual limit and exceeds the Federal Estate Tax Exemption in the year that the gift is made? Then, you must file the Gift Tax Return *and* pay a Gift tax.

So, I'll leave you with three things to remember:

1. You are allowed to make gifts every year without filing a Gift Tax Return.
2. Only when you exceed the limit for gifts in the year the gift was made do you have to file a Gift Tax Return.
3. If you exceed the limit for gifts and the Federal Estate Tax Exemption in the year the gift is made, you must file a Gift Tax Return and pay a Gift Tax.



# A Guide to the Perfect Reading Paradise

## Keys to a Cozy Book Nook

Is your home where the *hectic* is? Crave a place in your house where you or your loved one can find peace with a great paperback and a comfy couch? Well, it may be time to build a book nook!

Book nooks can range from cozy, modest spots to mini in-house libraries complete with shelving and large furniture. Whichever direction you take to create your special place for reading and relaxation, a few tried-and-true tips will help transform your corner into a tranquil sanctuary.

### Perk up your page-turning.

Although the sight of someone going cover to cover in a dingy dungeon may work in a horror film, it's the wrong way to keep your eyes open and your senses alert. A book nook should be a place for rejuvenation, so keep your space illuminated and lively. Natural light will always work best, but a strategically placed lamp will also do the trick. The goal is to give your eyes a break — not another way to strain them.

### Shape where you sit.

Remember those tiny — and hard — wooden seats we endured most of the day when we were kids at school? Well, there's a good chance your kids still spend plenty of time on them in school! To build the perfect book nook for younger readers, furnish it with softness: a cozy chair with an ottoman or couch with lots of pillows and a blanket nearby. Naturally, adults shouldn't skimp on comfort, either — your body deserves a break after all those hours spent in the car, behind a desk, or on your feet.

### Let your creativity flag fly!

In addition to providing children with a place to read for pleasure, book nooks can open the door to their creative sides. Encourage them to be little art directors and personalize their spaces with their favorite colors and images. Who knows? Maybe the walls could be the perfect gallery for their drawings! Helping to make your child's nook a pleasant destination will help them find joy in reading. Of course, the same philosophy should also apply to adults who need a good nook. Like the act of reading itself, creating a literary safe space presents endless possibilities for fun and fulfillment.



## Sudoku

		9			5	8		
				9	2		3	
						7	2	9
					6	1	8	
	7						6	
	8	1	4					
2	3	7						
	4		9	1				
		5	2			4		

Solution on Pg. 4

## BOI Filing Deadline Approaching! Avoid Penalties by Filing Early

*On January 1, 2024, a new reporting requirement went into effect for most corporations, LLCs, or other similar entities. The Act requires business entities to file a Beneficial Ownership Information (BOI) report with the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN). We reported to our Life Plan clients about this new requirement back in January. Non-exempt businesses already in existence as of Jan. 1, 2024, must file a BOI **before Jan. 1, 2025**. The penalties for non-compliance are severe, so we recommend filing the BOI as soon as possible if you have not already done so for 2024. Note that some business entities are exempt from filing. The initial BOI report must be filed electronically through the FinCEN's website. There is no fee to file the BOI. You can find out more at [FinCEN.gov/boi](https://www.fincen.gov/boi).*

3	2	9	6	7	5	8	4	1
7	1	4	8	9	2	6	3	5
5	6	8	3	4	1	7	2	9
9	5	3	7	2	6	1	8	4
4	7	2	1	8	9	5	6	3
6	8	1	4	5	3	2	9	7
2	3	7	5	6	4	9	1	8
8	4	6	9	1	7	3	5	2
1	9	5	2	3	8	4	7	6

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*The information provided in this newsletter does not, and is not intended to, constitute legal advice; instead, all content contained herein is for general informational purposes only.*



Imagine a cluster of ancient seaside villages along the Italian Riviera so picturesque that it inspired a Disney film.

Cinque Terre, or "five lands," encompasses five breathtakingly photogenic fishing villages along the northwest coast of Italy. Recognized as a UNESCO World Heritage area, this national park offers all the attractions visitors love about Italy, from extraordinary food and wine to exciting seaside views. Childhood memories of Cinque Terre inspired Disney director Enrico Casarosa to re-create the setting for his Oscar-nominated coming-of-age film "Luca."

Cinque Terre's narrow streets are often filled with day-trippers during the summer, nearly overwhelming the area's 4,000 residents. The flood of tourists eases in the winter, however, making this the best season to savor Cinque Terre's beauty and culture.

While farmers developed the area in the 11th century, Cinque Terre was inaccessible by road until the 1960s. One has to admire the ingenuity of residents who carved terraces into the steep cliffs, stacked houses down

the ravines, and cultivated olives and wines so superb that kings favored them during the Renaissance.

Hiking is a favorite pastime here, and visitors this winter are in luck. One of the most beautiful walkways in the world, the half-mile Via dell'Amore (or Pathway of Love), reopened in August 2024 after repairs following a 2012 rockfall. Reservations are required, and visitors are only allowed to walk one way on the path from the village of Riomaggiore to Manarola. Unlike the steep, rugged hiking paths elsewhere in Cinque Terre, however, part of the Via dell'Amore is wheelchair accessible, and the breathtaking views are worth the effort.

Planning to drive in and around Cinque Terre isn't wise. The cliff-top roads are narrow and frightening, even for seasoned drivers, and nonresidents aren't allowed to park in the villages. A better strategy is to take the train from the Genoa or Pisa airports (about 1-2 hours). Check the national park website at [Parconazionale5terre.it](http://Parconazionale5terre.it) before you arrive to learn about any winter storm closures and trail conditions.