



BYRD & BYRD LLC
ATTORNEYS AT LAW

September 2016 Newsletter

Welcome to the latest edition of the Byrd & Byrd email newsletter. We hope that you enjoy this newsletter and find helpful information along the way. Happy Reading. If you want more information about Byrd & Byrd, please visit our website by clicking the link below:

[Visit Our Website](#)

It's Time to Vote... for Bowie's Best

We are so happy to announce that it is that time of year again: The Bowie Blade News Annual Readers Choice Awards!

The Readers Choice has become a tradition in Bowie, providing Bowie Blade readers with the opportunity to give kudos, congratulations, and thanks, to the outstanding products, services and businesses from the local community.

We hope that you take the time to vote for Byrd & Byrd as best attorney in Bowie. We are looking for our seventh victory in a row! Please help us reach that goal by voting today. To vote, please follow this link:

https://www.surveymonkey.com/r/Bowie_Blade_News_Readers_Choice_2016

The voting began on Aug. 25 and ends on Monday, Sept. 19!

Should I Sign Up for Medicare Part B?

by Jackie Byrd

"Should I sign up for Medicare Part B?" is one of the most frequent questions I am asked by federal employees. Others who don't work for the government, but have good health insurance with their current employer are faced with the same question. I've even been asked this question in the grocery store and in church! A few years ago, I even asked this question of myself! Sometimes it is very difficult to know exactly what to do even when we are required to make a decision - especially then.



Well, like the answer to all legal questions, it depends. I can't really tell you whether enrolling or not enrolling in Medicare Part B is the right decision for you. This decision depends on your current and future health (do you have a crystal ball?). It also might depend to some degree on your personal finances as there is a monthly premium for the insurance provided by Part B.

To read this article in its entirety, [please click here](#).

What are Death Taxes?

by Joshua Winger

When a person passes away, there may be taxes that need to be paid as a result of that person's death. These taxes are informally, and sometime derogatorily, called "death taxes", but this term actually includes three kinds of taxes: (1) estate taxes; (2) inheritance taxes; and (3) income taxes.



While a full discussion of these taxes is beyond the scope of this article, below is some general information to consider regarding U.S. "death taxes":

- **Estate Tax:** An estate tax is a tax that is assessed on a deceased person's gross estate above a set threshold, sometimes called the "exclusion". The United States has a federal estate tax that is indexed for inflation (currently, if the amount of the gross estate exceeds \$5.45 million for persons who pass away in 2016). The top tax rate is 40%. As of 2011, via a new tool called "portability" when one spouse in a marriage passes away, the surviving spouse now has a limited window of time to preserve the deceased spouse's estate tax exclusion, thereby potentially doubling (or more with ongoing inflation) the estate tax exclusion when the surviving spouse passes away. The federal estate tax exclusion is also affected by the value of gifts the deceased person gave away while living (to which the U.S. federal gift tax applies).

Many U.S. jurisdictions (such as Maryland and Washington, D.C.) have their own estate tax, in addition to the federal estate tax. Maryland's estate tax is in a period of transition now with a change each year from 2015 to 2019, at the end of which the Maryland estate tax exclusion will be the same as the federal estate tax exclusion and portability will become possible. Washington, D.C.'s estate tax exclusion is \$1 million. The top rate for both the Maryland and Washington, D.C. estate tax is 16%. Neither Maryland nor Washington, D.C. has a gift tax of its own.

While portability is the new estate tax savings tool in town, so to speak, more traditional examples of estate tax savings tools include credit shelter trusts, qualified personal residence trusts and life insurance trusts.

- **Inheritance Tax:** There is no U.S. federal inheritance tax, but some U.S. jurisdictions, such as Maryland, do have an inheritance tax. The Maryland inheritance tax applies to property in Maryland, regardless of whether the deceased person was a Maryland resident. For people passing way on or after July 1, 2000, the Maryland inheritance tax only applies to property passing to the deceased person's "collateral" beneficiaries (essentially, non-immediate family members, such as niece, nephew, cousin or no familial relation). The Maryland inheritance tax rates generally are from 10% to 11.1111%. Washington, D.C. does not have an inheritance tax for people who passed away on or after April 1, 1987.

- **Income Tax:** Income taxes (often called "fiduciary income taxes") are found on both the U.S. federal and local Maryland/Washington, D.C. levels and come in multiple varieties, such as interest/dividends on property that occur after the property owner passes away and capital gains income tax (such as regarding selling a deceased person's home, stock or other property for more than the property's date of death value).

However, various deductions may be possible in calculating what death taxes are owed. Careful consideration often needs to be given to choose which death tax to reduce with an eligible deduction, such as often an eligible deduction can be used to reduce either an estate tax or income tax, but not both. A Certified Public Accountant can be a very important ally not only in preparing estate and income tax returns, but also in the planning for estate and income taxes.

Despite the above information, situations vary, so you should consider consulting with a knowledgeable attorney and Certified Public Accountant who can review the specific circumstances you face regarding "death taxes".

Jessica's Article in "Outlook by the Bay"

"Fiduciary Access to Digital Assets" - check out what Jessica has to say in her latest article that was published in the [Fall 2016 edition of Outlook by the Bay](#). Her article is found on page 10 of the magazine.

More Fun at Byrd & Byrd



Jackie and Rosemary Allender of Family Eldercare Management have the same sense of fashion. Totally unplanned, they showed up to a Prince George's County Senior Provider Network (PGSPN) meeting wearing the same blouse! You can bet there were a few laughs to go around.



FREE SEMINAR - Housing Choices September 21, 2016 (Wednesday)

10:30am-1pm

Kettering Baptist Church

Our friends at Family Eldercare Management are presenting a free seminar entitled "Housing Choices - to Stay or Not to Stay". Presenter, Rosemary Allender, will discuss the topic of housing for our aging family members and what needs to be considered when making this tough decision. Registration is FREE. Call (301) 262-5082 to reserve your spot.

Medicaid Mondays

On the second Monday of every month, Jessica Estes hosts a "Medicaid Monday" where she presents information to help you better understand the basic guidelines, requirements and process of Medicaid. This is a FREE informal seminar where you will be able to ask any questions you may have regarding Medicaid. Light refreshments will be provided at each event so we ask that you please RSVP as space is limited. There is NO Medicaid Monday in the month of September. The next Medicaid Monday is scheduled for October 10, 2016. To RSVP for the October seminar, [please click here](#).

YouTube Video of the Month

The Olympics has come and gone... but it sure was full of events to remember! Check out what the members of Good Morning America had to say about the top highlights from Rio. And if you listen closely, you will hear a shout-out to our great state of Maryland!



Testimonial of the Month

"Thank you so much! [Byrd & Byrd] has truly been a blessing in so many ways!"

- L. Gist of York, PA

STAY CONNECTED:



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