

Thoughts and Stories from the Lawyers at Riezman Berger, P.C.

## Planning for Your Pets

More people than ever are concerned with how beloved pets will be cared for after the owner/guardian's death. Where and how will they live, and who will care for them? Under Missouri law, your primary options are as follows:

- Simplest: Let your Trustee decide, in his or her discretion, what to do with the pets after your death. This means the person serving as Trustee either keeps the pets or homes them to an animal shelter/facility.
- Next simplest: Provide in your Trust that your pets shall pass to a specific person or organization, as the new owner. You can leave a bequest amount to the new owner intended for care of the pet (but the property will legally be the owner's assets and can be used as the owner decides; there is not a duty here to use the monies for the pets).
- More specific: Provide in your Trust for your pets to be transferred to a center with a lifetime care program. The goal of such an organization is lifetime care for the pet, rather than re-homing the pet to an adopter. There is typically a one-time or monthly fee associated with this service.
- Most comprehensive: Create a pet trust for their care, funded with a specified amount of assets and administered by a Trustee named in your Trust.

While under Missouri law a pet is considered personal property, you can provide for the care of your pets after your death in your estate planning documents. Our estate planning attorneys are expert in these matters and able to assist you in meeting your goals for your pets.

## Proposed IRS Regulation Could Impact Tax Strategies

The IRS has released proposed new regulations to Section 2704 of the Internal Revenue Code, which affects how certain types of assets are valued when transferred to family members.

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The effects could be far-reaching.

- If adopted in their present form, these rules will eliminate very helpful valuation discounts which have been possible for many years.
- The new rules will affect the values of interests in partnership and LLCs which are transferred to family members (typically through trusts for members of the next generation).
- A hearing on the proposed regulations is scheduled for December 1, 2016.
- Persons who have a program of gifting in place involving partnership or LLC interests, or would benefit from the valuation discounts that are permissible under current law, should consult legal counsel to discuss their situation and the impact of the proposed regulations.

Contact your Riezman Berger attorney to learn how these regulations affect your estate and tax planning.

## Defend Trade Secrets Act of 2016

The Defend Trade Secrets Act of 2016 is a recently adopted federal statute that provides protection to "trade secrets" under federal law.

A trade secret is information, a process, a method, or other item which is valuable to its owner because no one else knows what it is -- i.e. because it's secret. Historically, trade secret protection was granted under state law. The DTSA now adds federal protection to the already existing state laws. In addition, the federal law clears up a difficult issue that has existed under the state laws by clearly establishing an exception allowing disclosure of a trade secret to the government, in confidence, as part of reporting illegal or wrongful behavior. The immunity now protects disclosures to a government official or to their attorneys and in a court filing and in a lawsuit or court proceeding for retaliation. The federal law also requires certain contracts and agreements to now have notice and other provisions concerning the immunity and retaliation provisions of the law.

If you have any question of whether or not you are entitled to disclose a trade secret, or whether your company agreements must be revised to include the required notice provisions, you should contact your Riezman Berger attorney.

## Basis Planning with Irrevocable Trusts

Many people have created irrevocable trusts for estate planning purposes. Such trusts can provide valuable protection from estate tax. However, because the trust is irrevocable (generally not allowed to be changed) trust assets may not qualify for the valuable "step up" in income tax basis (to the value on the date of one's death) that is available to assets owned by that person. This "step up" allows your beneficiaries to sell the assets without recognizing capital gain on the appreciation that occurred during your life. The step-up can save a significant amount of taxes.

There are strategies that can be used for many irrevocable trusts that can enable assets to get a basis step-up that would not be otherwise available. If you have had an irrevocable trust in place for more than five years, it would be prudent for you to consult with legal counsel about what options and benefits are available to you for improving the tax situation of those who will inherit these trust assets.

## Nonprofit Activities

Riezman Berger, PC is proud that its attorneys contribute to our community with their passions, actions and leadership roles in charitable and civic organizations. In this edition of the RB Report, we meet Fred Berger and learn about his charitable activities.

When did you join Riezman Berger, and in what areas of law are you practicing?

***I celebrated my 40th anniversary with Riezman Berger this summer! My practice is concentrated in real estate law and real estate development, zoning, municipal law, environmental law, financing transactions, corporate transactions and commercial transactions.***

What non-profit organization are you involved with at this time?

***I belong to a variety of organizations, but am proud of serving as Vice Chair for the International Institute of St. Louis, an organization that offers comprehensive resettlement services for refugees and immigrants in our community. In turn, these newcomers expand the richness of St. Louis' diversity and give vitality to our local economy.***

Why did you choose to become involved with these organizations? Can others become involved?

***The organizations I serve, serve our community and offer beneficial services to people in need, so I wanted to contribute to these organizations. The international Institute puts on the Festival of Nations every year, with cultural entertainment, exhibits and a sampling of international cuisines, all open to the public. We are also always accepting donations and volunteers to help provide services ranging from helping provide refugees with information on opening bank accounts to teaching literacy and computer skills.***

PLEASE NOTE: Actual resolution of legal issues depends on many factors, including your particular circumstances and variations of facts and state and federal laws. This newsletter is not intended to provide, and must not be relied upon for, legal advice on specific subjects or for any person's specific circumstance. The reader should consult with legal counsel before taking action on any matter covered by this newsletter.

To comply with certain U.S. Treasury Regulations, we inform you that, unless expressly stated otherwise, any U.S. Federal tax advice contained in this newsletter is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any penalties that may be imposed by the Internal Revenue Service.

The RB Report is a newsletter provided by Riezman Berger, P.C. to inform our clients, friends and the community about recent events and changes in the field of law. We intend it to be more evidence that we are "Committed to Your Success." Please contact your Riezman Berger, P.C. attorney for more details on the subjects of this newsletter, or contact Bob Oesch (Chairman of the Trusts & Estates Practice at Riezman Berger, P.C.) directly at 314-727-0101.

Riezman Berger PC is a full-service law firm practicing in most fields of law. Visit our website at [www.riezmanberger.com](http://www.riezmanberger.com) for detailed information regarding our firm philosophy, our attorneys and our many practice areas. We have a number of experts in tax and estate planning who can assist you.

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