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Lynn's Top Five

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reality of the higher deductibles, co-pays and non-covered expenses that you could face.

4) New tax law, new withholding. If you haven't already, it's time to do a mid-year tax withholding checkup to ensure you don't have any nasty surprises next April. Some of us will find our tax burden decreasing regarding tax bracket changes and the higher standard deduction. However, many will experience the opposite as we lose write-offs such as state taxes in excess of \$10,000 and the loss of miscellaneous deductions such as tax preparation fees, business and investment expenses. Time to project your current income and withholding for the year and compare to what you think your tax bite will be. Fixing this now, and revisiting again in January, could save you some misery next year.

5) Higher estate exemptions may mean a new estate plan, but should it? Many taxpayers have been tempted to completely toss out their old estate plan design because of the new \$11.2 million per person exclusion amount. However, I encourage you to think before you toss! For example, there could be benefits to keeping bypass trust language in your estate plan regarding ensuring that your share of marital and your separate property assets go to your heirs versus being under the control of a surviving spouse, as well as keeping any possible benefit of protection from creditors. Review your plan with your estate planning attorney before making any bold moves.

I hope you find these topics helpful. Your team of planning pros will be happy to guide you with specifics to your own situation or feel free to reach out to me anytime.

Happy Summer!

When I picked a topic to write about for this column, I thought about what's relevant now in my own practice. A few recurring themes seemed to emerge in recent conversations which I'd like to share with you here.

1) Home insurance - do you have enough? The past two or three years have seen an explosion in the value of homes and the costs to build, rebuild or remodel. It's time for you to dust off your homeowner's related insurance policies to see if you have enough coverage to stay current with what's happening in the marketplace. Work with your agent to determine if your home could be rebuilt using quality materials and contractors and to current code using the numbers you have in place. The recent fires in NorCal have provided us with an all too real wake-up call on this topic.

2) Portfolio management and the AMT. Many investors have been unwilling to take some of the recent stock market gains off the table because they are concerned that they'll get burned in taxes. With the alternative minimum tax now kicking in at the higher \$1 million of qualified gain, it's time to review your holdings and think about rebalancing, knowing that the AMT might not be the beast it once was. That said, understand that the state of California's tax laws have not undergone the same changes as the federal law, so be sure to model any gains you are contemplating for both federal and state tax costs before you make any portfolio moves.

3) Retirement planning and health insurance costs. Many of us have simply said, oh, no need to worry about medical costs during retirement because I'll be on Medicare. Unfortunately that's become faulty thinking. Not only are those of you with high retirement income paying a lot higher premiums for Medicare than you may have ever planned, I think a lot of retirees are also realizing that they are paying out of pocket for many more medical expenses than they had planned on. Working with your Certified Financial Planner(tm) professional, adjust your projections to better fit the new reality of the current health insurance market and the

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