TAX ▲ ACCOUNTING ▲ ADVISORY

2017 Year-End Networking Seminar

Thursday, December 14, 2017
Newton Marriott

Breakfast & Registration
7:30 – 8:30 am

Opening Remarks
Jen Sieczkowski, Senior Tax Manager
ALL CPAs
8:30 – 8:35 am

Navigating Medicare
Peter D. Stoner, AHIP, President
Stoner & Company
8:35 – 8:55 am

Protecting Digital Assets
Amy R. Lonergan, Esq.
Day Pitney LLP
&
Joshua S. Miller, CFP, Managing Director
CIBC Atlantic Trust Private Wealth Management
8:55 – 9:40 am

2018 Economic & Financial Market Outlook
Daniel Kern, CFA, CFP, Chief Investment Officer
TFC Financial
9:40 – 10:00 am

Drawing for Prizes & Seminar Conclusion
10:00 am

<u>WIFI INSTRUCTIONS</u>

<u>Step 1</u>

Connect to the "Marriott_Conference" Network

<u>Step 2</u>

After connecting to the network. Open a browser*, Internet Explorer, Firefox, Safari etc. Then navigate to a public website such as Google or Yahoo
You will then be redirected to the sign on page.

Enter the code shown here: ALG17
and <u>check the box to accept terms</u>.

When you see the Marriott home page you are connected.
****On mobile devices the sign on page may pop up without opening a browser***

<u>Note:</u> This process must be completed before connecting to a VPN.
If your browsers home page is set to a secured website you will not be sent to the sign on page. Manually enter google or similar to get connected.

The New York Times

By JIM TANKERSLEY DEC. 13, 2017

Republicans Say They Have a Deal on Tax Bill

Republicans, led in the Senate by Mitch McConnell, hope to deliver a bill to President Trump's desk by Christmas. Credit Tom Brenner/The New York Times

WASHINGTON — House and Senate Republicans have reached an agreement, in principle, on a consensus tax bill, keeping the party on track for final votes next week with the aim of delivering a bill to President Trump's desk by Christmas, according to people briefed on the deal.

Senator John Cornyn of Texas, the majority whip, told reporters that Republicans will be briefed on the deal today, and that he is confident it will be approved next week.

The agreement drops the corporate tax rate to 21 percent from the current 35 percent rate and will go into effect in 2018, rather than 2019, as the Senate bill originally called for, according to a senior Republican congressional aide. The bill also allows individuals to deduct up to $10,000 in state and local taxes, split between property taxes and either income or sales taxes paid. That move is intended to alleviate the concerns of House Republicans, particularly those from California, over the bill's treatment of the state and local tax deduction.

Lawmakers also agreed to rescind the corporate alternative minimum tax, which was tucked into the Senate bill at the last minute as a way to pay for the $1.5 trillion bill. The inclusion of the corporate A.M.T. was criticized by many business groups, who said it would prohibit the ability of companies to use tax breaks such as the research and development tax credit.

The top individual income tax rate will drop to 37 percent, down from the current rate of 39.6 percent. But the rate will kick in for income levels below the $1 million cutoff outlined in both the House and Senate bills.

The conference bill will preserve the individual alternative minimum tax, which the House bill had eliminated and the Senate bill retained in a watered-down form. The conference version will apply to even fewer taxpayers than the Senate bill would have, the congressional aide said.

The agreement in principle appears to allow some high-earning business owners to claim an even larger tax break than the Senate bill would have. Negotiators agreed to keep the Senate's approach to provide a tax deduction for so-called pass-through companies, whose owners pay taxes on profits through the individual code. That deduction will likely be lower than the 23 percent deduction in the Senate-passed bill.

Vice President Mike Pence and Representative Kevin Brady of Texas, the chairman of the Ways and Means Committee, at the Capitol on Tuesday. Credit Pete Marovich for The New York Times

But, the aide said, the conference bill will include a House provision that would allow some pass-through owners with few employees — but large amounts of investment in their businesses — to bypass a limit on how much income qualifies for the preferential deduction.

The conference bill would also largely retain the Senate approach to taxing multinational companies.

President Trump praised House and Senate negotiators in a lunch meeting at the White House. "We're very close to getting it done, we're very close to voting," Mr. Trump said of the tax bill. He added later, "This is the biggest thing that we've worked on."

Mr. Trump also indicated he would accept a reduction in the corporate tax rate to 21 percent from 35 percent. Until recently, Mr. Trump had insisted on a corporate rate no higher than 20 percent.

It is not clear if Republican senators will roundly endorse the deal, which would allow provisions that Senators Susan Collins of Maine and Marco Rubio of Florida had raised concerns about earlier this week. Ms. Collins has said she's not in favor of a lower individual rate and Mr. Rubio has pushed for a more generous child tax credit.

The Senate bill narrowly passed 51-49, with Senator Bob Corker, a Tennessee Republican, voting against the legislation, and other lawmakers, such as Ms. Collins, only getting on board once certain changes were made, such as expanding the medical expense deduction.

The agreement was finalized on Wednesday morning, hours before the first and only scheduled public meeting of the congressional conference committee formed to work out the differences between the House- and Senate-passed versions of the bill.

The push to pass the bill next week was sharply criticized by Democrats, who called on Republican leaders to slow what has been a sprint to pass the tax bill and wait for a newly-elected Democratic senator from Alabama, Doug Jones, to be seated before holding any more votes on the legislation. Mr. Jones won a special election on Tuesday night over Roy Moore, a Republican, flipping control of the seat and reducing the Republican Senate margin to 51-49.

Senator Ron Wyden of Oregon, the top Democrat on the finance committee, tweeted on Wednesday morning that Republican leaders should delay the tax process until Mr. Jones takes his seat.

Republican leaders gave no indication on Wednesday that they will delay the bill.

President Trump was preparing to deliver what administration officials called a "closing argument" for the tax bill on Wednesday. Mr. Trump will be flanked by five families the administration says would benefit from the bill's tax cuts, and he will pitch the legislation as an opportunity to improve economic mobility and "restore the American dream," those officials said.

Mr. Trump will also have lunch with eight Senate Republicans on the conference committee, including Senator Orrin G. Hatch of Utah, and one House Republican, Kevin Brady of Texas, who chairs the Ways and Means Committee.

The House and Senate versions of the tax bill started from the same core principles — cutting taxes on business sharply, while reducing rates and eliminating some breaks for individuals — but diverged on several key details.

Those divergences included the size of an expanded child tax credit, which was larger, and able to be claimed by families much higher up the income scale, in the Senate bill; the treatment of pass-through owners, who received a large deduction in the Senate bill, but would have paid a reduced tax rate of no more than 25 percent in the House bill; and fundamental differences in the shape of a revamped system for taxing the profits of multinational corporations. The House also eliminated a host of individual tax breaks, including the ability to deduct student loan interest and medical expenses.

The Senate bill set individual tax cuts to expire, in order to comply with the rules of a budget procedure that allowed Republicans to bypass a Democratic filibuster as long as the legislation added no more than $1.5 trillion to the deficit over the next 10 years. The House bill's cuts were permanent. The House bill would have eliminated the estate tax entirely after a period of several years. The Senate bill would have maintained the estate tax, though it would have applied to fewer taxpayers.

Even some areas where the bills matched up were fodder for controversy — and furious lobbying — in negotiations. Chief among them was the fate of the state and local tax deduction. Both bills eliminated deductions for state and local income and sales taxes paid, but allowed property tax deductions of up to $10,000 a year. Realtors and other groups pushed hard for that cap to be increased and for income taxes paid to also be allowed under it — a move that would have spared some higher-earning taxpayers in high-tax states such as California and New York from the tax increases they would have faced under the House and Senate bills.

A group of New York and New Jersey Republicans voted against the House bill over state and local deduction concerns. California Republicans largely backed the bill in the House, but they came under pressure during the conference negotiations to push for an expansion of the state and local deduction in order to avoid tax increases on many of their constituents.

Negotiators were also under pressure from business lobbyists to fix what appeared to be a drafting error in the Senate bill that could have effectively neutralized a popular tax break for business research and development. That error came in a last-minute move to reinstate a version of the corporate alternative minimum tax, which earlier bill versions had eliminated, and it forced Republicans to find other sources of revenue to compensate for their "fix" to the provision.

Michael Tackett, Alan Rappeport and Thomas Kaplan contributed reporting.

Preparing for The Tax and Jobs Act

Both the House and the Senate passed their version of *The Tax and Job Act* which will make major changes to our tax laws. They are working to reconcile the bills with the objective of having the legislation signed by **December 25.** However, there is no guarantee it will be finalized before 2018.

Highlighted below are the key differences between the House & Senate bill that will need to be sorted out before passage:

	HOUSE BILL	SENATE BILL
Top individual rate	39.6%	38.5%
Number of individual tax brackets	Four	Seven
Estate tax	Expands exemption to about $11 million a person, repeals in 2025	Expands exemption to about $11 million a person, no repeal
Corporate rate	20%	20%
Corporate tax rate reduction starts	2018	2019
Top pass-through rate	25% with significant caveats	Below 30%
State/local deduction	Preserves for property tax up to $10,000. Ends for income tax	Preserves for property tax up to $10,000. Ends for income tax
Medical expense deduction	Eliminates	Expands but temporary
Student-loan interest rate deduction	Eliminates	Preserves
Personal exemption	Eliminates	Eliminates
Standard deduction	Nearly doubles	Nearly doubles
Individual alternative minimum tax	Eliminates	Retains with bigger exemption
Child tax credit	$1,600 a child	$2,000 a child
Expirations	Key credit expires after 2022	Individual tax cuts expire after 2025
Business investments	Full expensing, expires after 2022	Full expensing, phases out after 2022

Note: Senate details subject to final changes
Sources: U.S. House and U.S. Senate

Both the bills would reduce tax rates for many taxpayers, effective for the 2018 tax year. Additionally, businesses may see their tax bills cut, although the final form of the relief isn't clear right now. As a caution, there are a significant number of moving parts. The combined result may be an increase in your tax even if you are in bracket with a lower rate. **Please consult with us for more details about your specific circumstance.**

The general plan of action to take advantage of lower tax rates would be to defer income into next year. Some possibilities follow:

- If you are an employee who believes a bonus is coming your way before year-end consider asking your employer to delay payment of the bonus until next year.

- If you are thinking of converting a regular IRA to a Roth IRA, postpone your move until next year. That way you'll defer income from the conversion until next year and hopefully, have it taxed at lower rates. In addition, the proposed changes eliminate the ability to recharacterize your 2017 conversion after 12/31/17. (The current law allows recharacterizing until 10/15/18.) We recommend that Roth conversions be considered for the long-term benefits. If you are concerned about a short-term market correction, you may want to consider a conversion in early January to provide some added flexibility for potential recharacterization in 2018.

- If you run a business that renders services and operates on the cash basis, the income you earn isn't taxed until your clients or patients pay. So if you hold off on billings until next year—or until so late in the year that no payment can be received this year—you will succeed in deferring income until next year.

- If your business is on the accrual basis, deferral of income till next year is difficult but not impossible. For example, you might, with due regard to business considerations, be able to postpone completion of a job until 2018, or defer deliveries of merchandise until next year. Taking one or more of these steps would postpone your right to payment, and the income from the job or the merchandise, until next year. Keep in mind that the rules in this area are complex and may require a tax professional's input.

- The reduction or cancellation of debt generally results in taxable income to the debtor. So, if you are planning to make a deal with creditors involving debt reduction, consider postponing action until January to defer any debt cancellation income into 2018.

Disappearing deductions, larger standard deduction. Beginning next year, both the House-passed tax reform bill and the version before the Senate would repeal or reduce many popular tax deductions in exchange for a larger standard deduction. Here's what you can do about this right now:

- The House tax reform bill would eliminate the deduction for nonbusiness state and local income or sales tax, but would allow an up-to-$10,000 deduction for real estate taxes on your home. The Senate bill would ban all nonbusiness deductions for state and local income, sales tax, and real estate tax. If you are an employee who expects to owe state and local income taxes when you file your return next year, and do not expect to be subject to the Alternative Minimum Tax, consider asking your employer to increase withholding on those taxes. That way, additional amounts of state and local taxes withheld before the end of the year will be deductible in 2017. Similarly, pay the last installment of estimated state and local taxes for 2017 by Dec. 31 rather than on the 2018 due date, or prepay real estate taxes on your home.

- Neither the House-passed bill nor the Senate bill would repeal the itemized deduction for charitable contributions. But because most other itemized deductions would be eliminated in exchange for a larger standard deduction (e.g., in both bills, $24,000 for joint filers), charitable contributions after 2017 may not yield a tax benefit for many. If you think you will fall in this category, consider accelerating some charitable giving into 2017. You may want to consider creating a Donor Advised Fund to get the benefit of the charitable deduction in 2017 while making future distributions to your preferred charities over several future years.

- The House-passed bill, but not the Senate bill, would eliminate the itemized deduction for medical expenses. If this deduction is indeed chopped in the final tax bill, and you are able to claim medical expenses as an itemized deduction this year, consider accelerating “discretionary” medical expenses into this year. For example, order and pay for new glasses, arrange to take care of needed dental work, or install a stair lift for a disabled person before the end of the year.

Other year-end strategies. Here are some other “last minute” moves that could wind up saving tax dollars if tax reform is passed:

- The exercise of an incentive stock option (ISO) can result in AMT complications. The AMT may, or may not, be repealed depending on the compromise negotiations between the House and Senate. If you hold any ISOs, it may be wise to hold off as long as possible to assess if it is more beneficial to exercise them in 2017 or to wait until next year.

- If you’ve got your eye on a plug-in electric vehicle, buying one before year-end could yield you an up-to-$7,500 discount in the form of a tax credit. The House-passed bill, but not the Senate’s, would eliminate this credit after 2017.

- If you’re in the process of selling your principal residence and you wrap up the sale before year-end, up to $250,000 of your profit ($500,000 for certain joint filers) will be tax-free if you owned and used the property as your main home for at least two of the five years before the sale. However, under both the House & Senate bills, the $250,000/$500,000 tax-free amounts would apply to post-2017 sales only if you own and use the property as your main home for five out of the previous eight years.

- Under current rules, alimony payments generally are an above-the-line deduction for the payor and included in the income of the payee. Under the House-passed tax bill but not the Senate version, alimony payments would not be deductible by the payor or includible in the income of the payee, generally effective for any divorce decree or separation agreement executed after 2017. If you’re in the middle of a divorce or separation agreement, and you’ll wind up on the paying end, it would be worth your while to wrap things up before year end if the House-passed bill carries the day. On the other hand, if you’ll wind up on the receiving end, it would be worth your while to wrap things up next year.

- Both the House and Senate bill would repeal the deduction for moving expenses after 2017 (except for certain members of the Armed Forces), so if you’re about to embark on a job-related move, try to incur your deductible moving expenses before year-end.

Please keep in mind that we’ve described only some of the year-end moves that should be considered in light of the tax reform package currently in discussion—which, it bears emphasizing, may or may not actually become law.

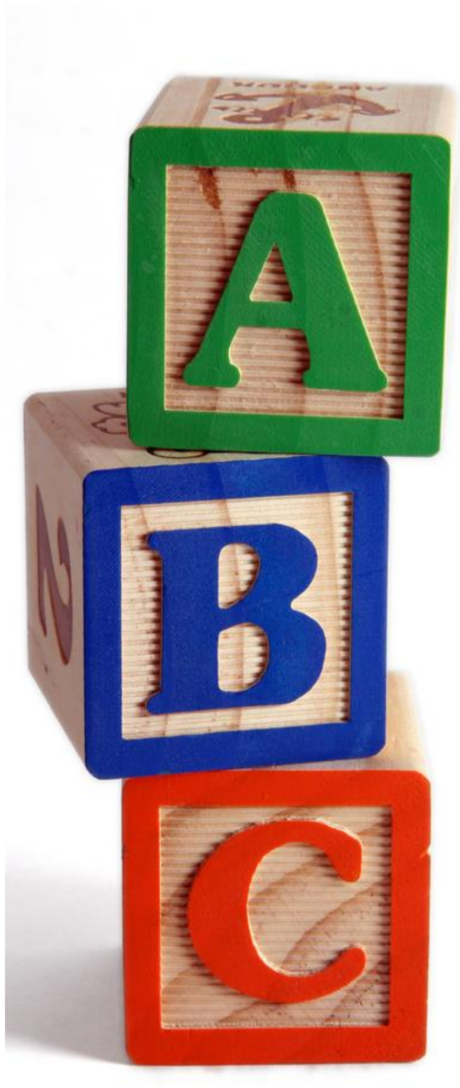
ALL CPAs

TAX ▲ ACCOUNTING ▲ ADVISORY

Year-End Networking Seminar

Newton Marriott
December 14, 2017

all-cpas.com/YE2017



MEDICARE 101

Presented by Peter D. Stoner

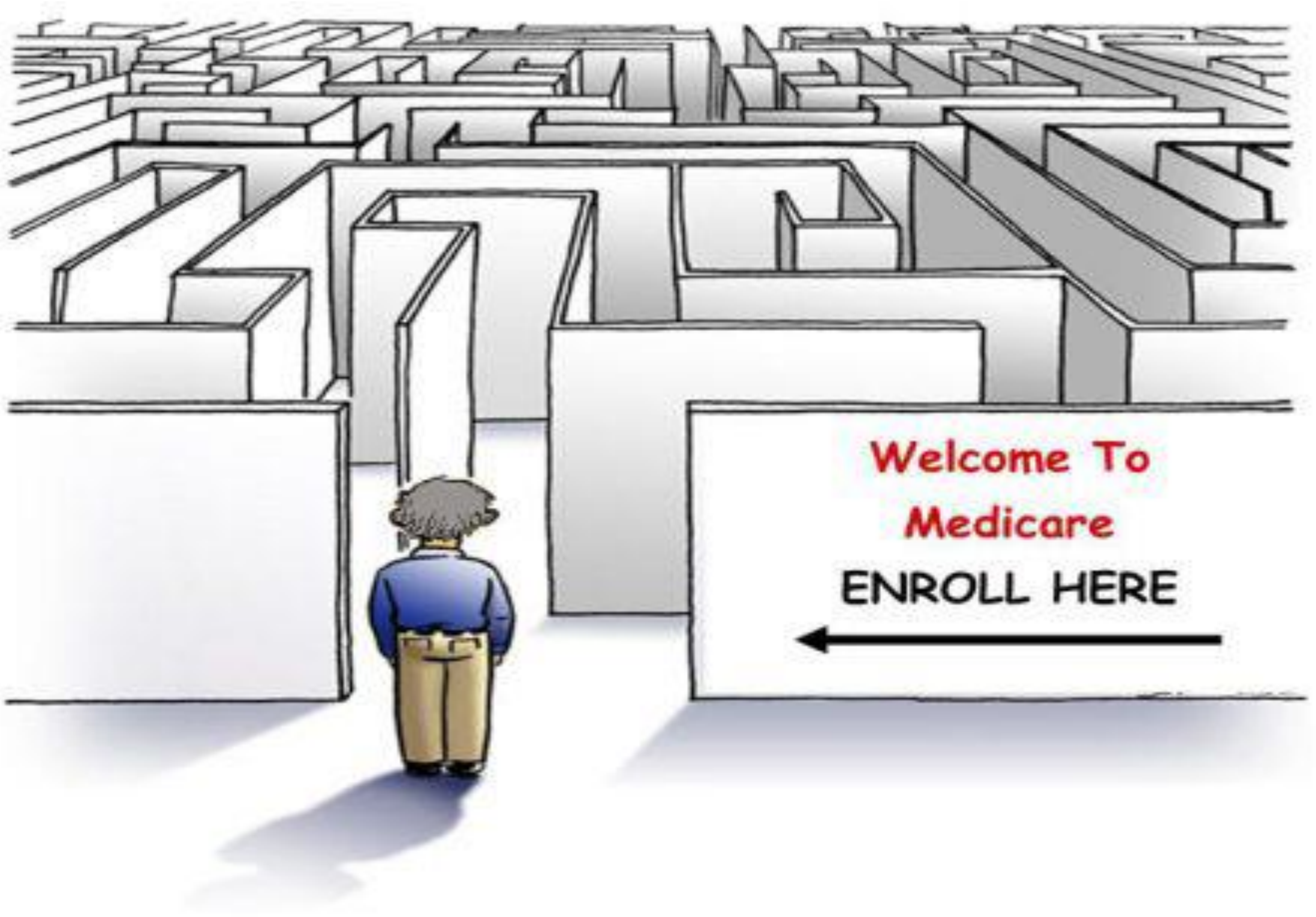
For educational purposes only…

No plan-specific benefits or details will be shared

STONER & Company

YOUR GUIDE THROUGH THE MEDICARE MAZE

MEDICARE CAN BE A MAZE



What is Medicare and How Does it Work?

Medicare is a federal government insurance program, for those:

- Who are 65, or older
- Who are under 65 with certain special needs

Medicare does **NOT** include:

- An annual out-of-pocket maximum
- Coverage outside of the United States
- Drug Coverage (This must be purchased separately, through a private insurance companies. This is referred to as "Medicare Part D"

When enrolled in Medicare, you can see any doctor who accepts Medicare and any specialist without a referral

STONER & Company

YOUR GUIDE THROUGH THE MEDICARE MAZE

Medicare Part A – Hospital Insurance

1) Covers hospital and nursing home stays (*), plus hospice

2) Premium: $0 for **Most People**. If you or your spouse (or former spouse) paid Medicare taxes for 40 calendar quarters (10 years), you qualify

3) Deductible: $1,340 in 2018 (per benefit period)

(*)rehab only, careful of: “under observation”

STONER & Company
YOUR GUIDE THROUGH THE MEDICARE MAZE

Medicare Part B – Medical Insurance

1) Covers doctor services, outpatient hospital care, durable medical equipment and other medical services
2) Premium: (Around) $134.00 - $428.60 per month (depending on income) Medicare Part B is optional and can be deferred if you are receiving equivalent coverage (employer/spouse)
3) Benchmarks: <$85,000/$170,000 to >$160,000/$320,000
4) Annual Deductible: $183 (Same 2017, but changes annually)
5) Coinsurance: Medicare pays 80% (approved), you pay 20%
6) Those on Part B before 2017, usually paid $109, per month (Cut-off: $1250+ net gain, where 2% = $25)

Income Benchmarks for 2018

MODIFIED ADJUSTED GROSS INCOME (IRS WILL LOOK BACK TWO YEARS)			You pay each month (in 2018)
File individual tax return	**File joint tax return**	**Comments**	
$85,000 or less	$170,000 or less	Same since introduction of the benchmarks	$134.00
above $85,000 up to $107,000	above $170,000 up to $214,000	Same since introduction of the benchmarks	$187.50
above $107,000 up to $133,500	above $214,000 up to $267,000	**Lower range than previous year**	$267.90
above $133,500 up to $160,000	above $267,000 up to $320,000	**Lower range than previous year**	$348.30
above $160,000	above $320,000	**Lower range than previous year**	$428.60

Steps to Apply for Medicare

1) **Form to Apply for Part B (within 90 days of 65th Birthday month)**

https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS40B-E.pdf (*)

a. Call Social Security: 1-800-772-1213
b. Go on-line: www.ssa.gov
c. Go to nearest Social Security Office (Make an appointment)

2) **Form to Apply for Part B (after 65th Birthday) Shows continuous coverage**

https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS-L564E.pdf (*)

3) **Form to Apply when Reduced Income is anticipated**

https://www.ssa.gov/forms/ssa-44.pdf (*)

❖ **Select a Medicare Plan**

- **Medicare Advantage** (Cheaper, referrals - includes network)
- **Medicare Supplement** (No network, no referrals – costs more)

(*) I can send you a link to this form

HEALTH INSURANCE

(Once turning 65)

OPTION 1
Employer Health Plan (Part A)

20+ Employees

OPTION 2
Medicare Part A and Medicare Part B

Administered by the US Government

OPTION 3
Medicare *Advantage* Plan (Part C)

OPTION 4
Medicare *Supplement* Plan (Medi-Gap)

Administered by private insurance companies such as Fallon Health Plan, Harvard Pilgrim Health Care, Tufts Health Plan, Blue Cross/Blue Shield MA, United Healthcare/AARP

Medicare Plans and What they Cover…

Medicare Parts A & B **THE LEAST EXPENSIVE** **VERY HIGH RISK** **Part B Premium Required**	**You are responsible for 20% of your physician expenses and $1,316 for room & board at the hospital. A relatively small deductible for doctors ($183) services also applies.**
Medicare Advantage Plan **Part C** **USUALLY MORE EXPENSIVE** **MANAGED RISK**	**MULTIPLE VARIABLES TO CONSIDER SUCH AS:** • **Co-Pays for virtually all services (hospital $$$)** • **Small Provider Networks ($0 to $200 in 2017)** • **Referrals to access specialists are required** • **Prescription Plans can be built in** • **Multiple options and premiums vary by county**
Medicare Supplement Plan **Core** **EVEN MORE EXPENSIVE** **LOW RISK**	• **No referrals. No networks. ($100 in 2017)** • **<u>Must pay Medicare deductibles</u>** • **May not have worldwide coverage** • **Lots of “fine print” regarding skilled nursing** • **Prescription Plans purchased separately**
Medicare Supplement Plan **Sup One** **THE MOST EXPENSIVE** **VIRTUALLY NO RISK**	**You pay a monthly premium (around $180 in 2017) No deductibles. No co-pays. No referrals required and no networks to worry about. Worldwide coverage. Prescription plans purchased separately. 1st 3 years discounted: (15%, 10%, 5%)**

PRESCRIPTION COVERAGE: PART D

It's the 1st thing I review because it's <u>the</u> major cost variable. It's complicated and confusing, including a deductible, copayments, a coverage gap ("donut hole") and catastrophic coverage. Here's what you really need to know:

- **There are 22 Part D plans for 2018 in Massachusetts**
- **The best plan for you depends on which prescriptions you take   (Part D plans are built into MedAdv. plans)**
- **Medicare provides a website where your prescriptions can be analyzed for your most cost effective option**
  - **You can do this yourself at www.Medicare.gov**
  - **You can go to a SHINE counselor (Senior Centers)**
  - **Or, you can contact STONER & Company**
  - **To do a proper analysis: your zip code, correctly spelled prescription(s), dosages and monthly quantity must be supplied. All options are free...**
- **Part D plans are also "Means Tested" for higher income**

Takeaways…

- Things are in a state of flux, stay vigilant
- Income benchmarks are real. "Temporary" adjustment… (similar to Mass Turnpike tolls)
- Medicare plans will cost more over time
- Tests and durable medical equipment will be more carefully controlled and scrutinized
- Lower provider reimbursement will reduce doc access
- Medicare will remain a good value, especially for those beneficiaries of limited means

- Peter Stoner: 781-431-7550 or pstoner@stonermedicare.com

STONER & Company

YOUR GUIDE THROUGH THE MEDICARE MAZE

Protecting Digital Assets

Amy R. Lonergan, Esq.
Day Pitney LLP

Joshua S. Miller, CFP®
CIBC Atlantic Trust Private Wealth Management

DAY PITNEY LLP

Some facts:

- A 2016 report from a United Nations agency says that 47 percent of the world's people now use the Internet.
- There are 2.79 billion active social media users in the world. This is an increase of 21 percent from 2016.
- Facebook now has over 2.01 billion monthly active users.
- LinkedIn has 112.5 million monthly active users.

- A day on social media on the internet:
  - 500 Million Tweets sent each day
  - More than 4 Million Hours of content uploaded to YouTube every day
  - 3.6 Billion Instagram Likes each day
  - 4.3 Billion Facebook messages posted daily
  - 5.75 Billion Facebook likes every day
  - 40 Million Tweets shared each day
  - 6 Billion daily Google Searches

What are digital assets?

- Data: electronically stored information – stored locally or in the cloud
- Financial information: banks, investment accounts, virtual currency, intellectual property
- Personal information: online storage, social networking, virtual world accounts and online gaming

Is this really something I need to worry about?

- Why do we care?
  - More than likely your clients are online.
  - Data breach and hacking will continue to be a concern:
    - Equifax was hacked earlier this year
    - Democratic National Committee had info stolen in 2016
    - Scottrade was hacked in 2015

- Why is this important to me and to my clients?
  - Managing risk is an integral aspect of estate planning and wealth management.

- What are the risks?
  - Your wealth
  - Your identity
  - Your reputation

Do you discuss cyber security with clients?

- Who needs protecting?
  - Why may one client may be more at risk than another?
  - Cyber security is not one size fits all.
- Identity Theft
  - May not know you have been targeted until its too late.
- Protecting One’s Reputation
  - For some clients, that has just as much value as their other assets.
- Passwords
  - “Treat your passwords like your toothbrush, don’t let anyone else use it and get a new one every six months.”
- Account lists
  - Only good if you have the associated username and password.

Sample Digital Asset Checklist

- Samp

Maintain a list of current passwords and their corresponding website (consider using a commercial password keeper).
Be sure to change passwords at least twice per year.
Do not use the same password for all of your accounts.
Create safe, secure passwords that are easy to remember; consider using a phrase or formula.
Avoid accessing sensitive data/sites while on a public Wi-Fi.
Always log-off – even though many sites will time you out.
Keep software and apps up-to-date. Many updates include security fixes.
Erase data on phones/tablets/laptops prior to disposing.
Monitor every account: (1) Review statements; (2) If in doubt about an email do not click through, go directly to the website.
Do not send personal information in an email. Instead, call your advisor with any sensitive information.
Be selective about emails that are saved to a folder.
Empty virtual trash.
Check privacy policies of the websites – how is personal information stored and used.
Check your computer's security settings – changing browsers' security settings may limit the risk to cyber-attacks.

What are other steps you can take to protect yourself and your client?

- Conduct a Digital Fire Drill
- Prepare a List of Digital Property, How to Access It, and What to Do With It
- Back up Important Data
- Protect Valuable Data With a Strong Password and Strong Encryption
- Update Estate Planning Documents

Digital Estate Planning

- Inventory of Digital Assets/Passwords
  - Hard to keep current
  - Security/privacy risks

- Fiduciary access is key!
  - Digital assets vs. Access to <u>*electronic content*</u>

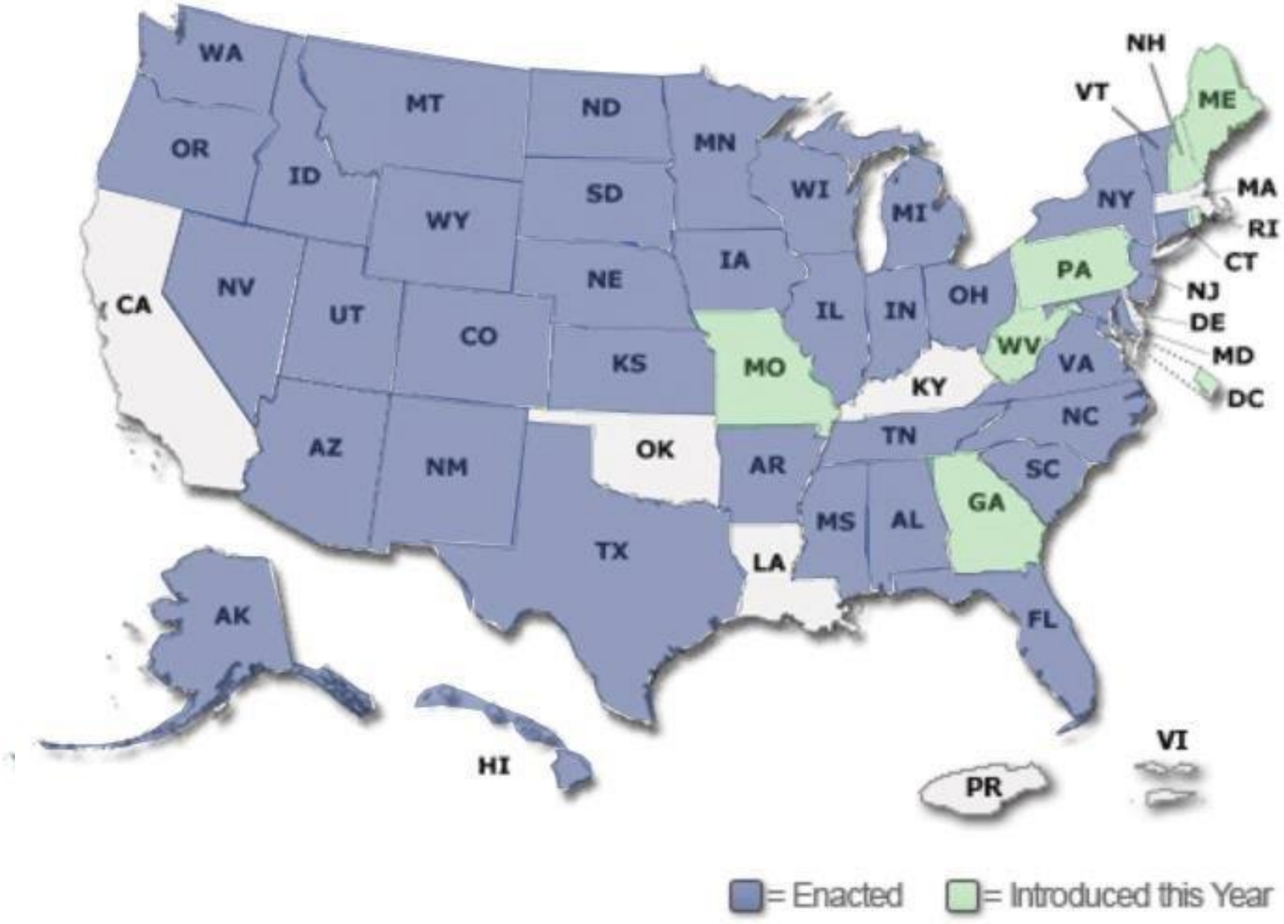
History of Legislation Controlling Digital Assets

- 2014: Uniform Fiduciary Access to Digital Assets Act (UFADAA)
  - Almost immediately, 27 states introduced legislation modeled after UFADAA
  - Passed in Delaware; then "everything came to screeching halt"
  - Internet Service Providers (ISPs) lobbied against UFADAA in every state:
    - Access too broad
    - Privacy concerns
    - Improperly overrides TOS agreements

History of Legislation Controlling Digital Assets

- 2015: *Revised* Uniform Fiduciary Access to Digital Assets Act (RUFADAA)
  - Currently adopted by 36 states
  - Currently pending in 7 states + WashDC
  - MA introduced in 2015-16 legislative session, without success. Efforts are underway to reintroduce, in the 2017-2018 session.

States that have enacted *Revised* Uniform Fiduciary Access to Digital Assets Act (RUFADAA)



DAY PITNEY LLP

RUFADAA – Key Points

Distinguishes between access to **content** of electronic communication and access to **catalogue** of electronic information

- Default Rules:
  - **Access to Content**: Privacy on; access not granted unless decedent consented to disclosure
    - Applies to electronic content = email, text messages, instant messages, any other electronic communications between private parties
  - **Access to Catalogue**: Privacy off; fiduciary receives full access to digital assets (other than content)
    - Digital asset = electronic records regarding bank accounts or securities; similar to fiduciary access to paper statements with respect to a decedent's account

RUFADAA – Key Points

Access to Content (Electronic Communications):

1. Account owner can consent to fiduciary access via an "**Online Tool**"; OR
2. Account owner can grant access to (or prohibit) fiduciary through **Estate Plan** documents (will, trust, power of attorney – can allow or prohibit access); OR
3. **Terms of Service (TOS) Agreement** will apply (only if no Online Tool and if Estate Plan is silent)

RUFADAA – Key Points

Access to Digital Assets (not content)

- Default access by a personal representative to a catalogue of electronic information (without content) would be allowed, unless the decedent prohibited disclosure.
- Custodian of account may:
  - Grant fiduciary full access;
  - Grant fiduciary partial access sufficient to perform the fiduciary tasks; or
  - Provide fiduciary with a copy of a digital asset

DAY PITNEY LLP

RUFADAA – Key Points

Fiduciary Duties:

- RUFADAA specifically incorporates (restates) common statutory fiduciary duties:
  - Management of digital assets
  - Duty of care
  - Duty of loyalty
  - Duty of confidentiality

RUFADAA: Online Tool

- “Online Tool” = electronic service provided by custodian that allows the account holder/user to provide directions for disclosure or nondisclosure of digital access and content to a third person
- Must be distinct from Terms of Service (TOS) Agreement
- ***Very similar to a Beneficiary Designation***
- RUFADAA, Section 4(a):
  - “(a) A user may use an online tool to direct the custodian to disclose to a designated recipient or not to disclose some or all of the user's digital assets, including the content of electronic communications. If the online look allows the user to modify or delete a direction at all times, a direction regarding disclosure using an online tool overrides a contrary direction by the user in a will, trust, power of attorney or other record.”

DAY PITNEY LLP

FaceBook: “Memorialized” Profiles

From the FaceBook Help Page:

“What will happen to my Facebook account if I pass away?

- You can tell us in advance whether you’d like to have your account memorialized or permanently deleted from Facebook.

Memorialized Accounts

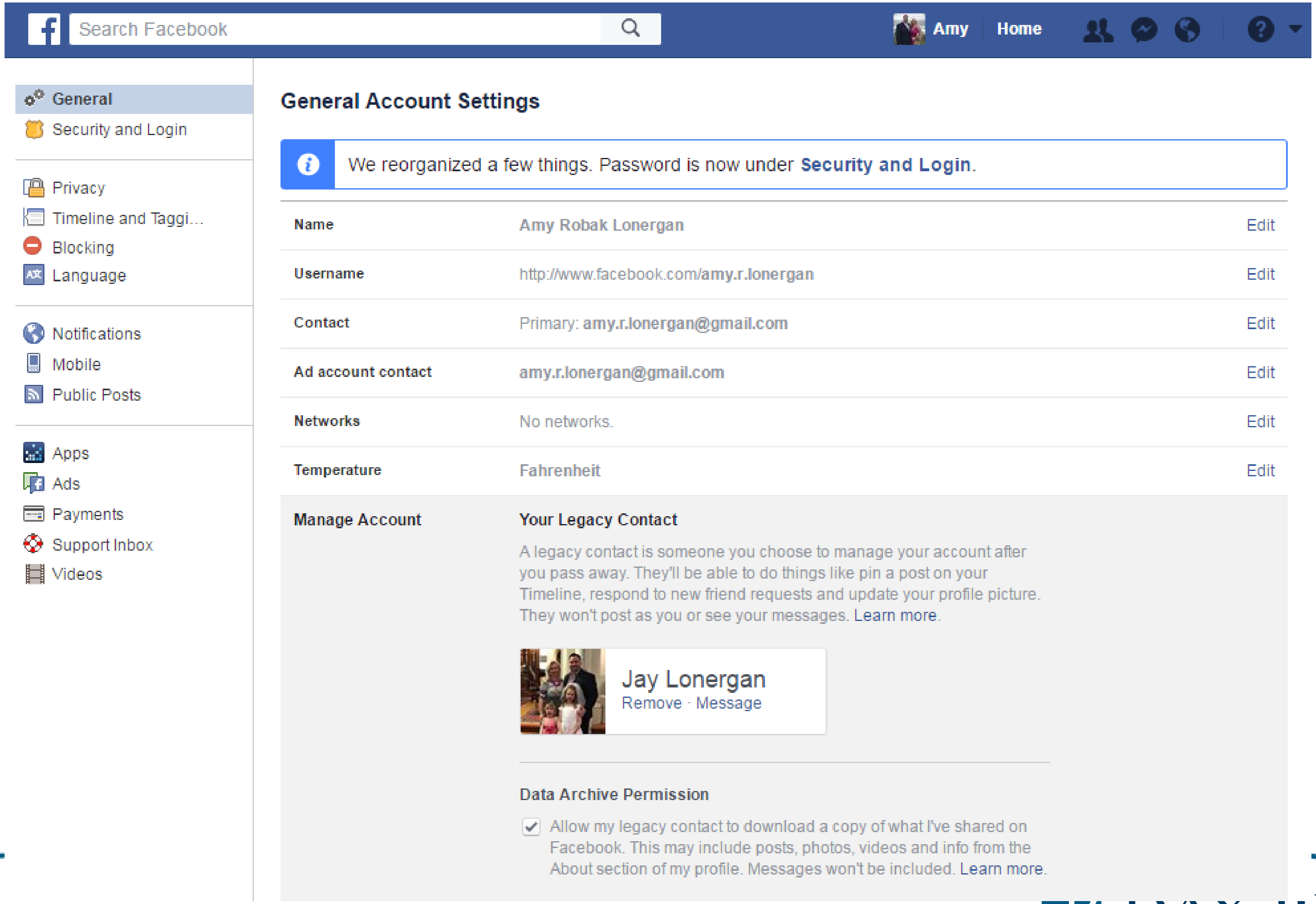
- Memorialized accounts are a place for friends and family to gather and share memories after a person has passed away. Memorialized accounts have the following key features:
- The word **Remembering** will be shown next to the person's name on their profile
- Depending on the privacy settings of the account, friends can share memories on the memorialized Timeline
- Content the person shared (ex: photos, posts) stays on Facebook and is visible to the audience it was shared with
- Memorialized profiles don't appear in public spaces such as in suggestions for People You May Know, ads or birthday reminders
- No one can log into a memorialized account
- Memorialized accounts that don't have a **legacy contact** can't be changed
- Pages with a sole admin whose account was memorialized will be removed from Facebook if we receive a valid request”

Facebook: “Legacy Contact”

From the FaceBook Help Page:

- “A legacy contact is someone you choose to look after your account if it's memorialized.
- Once your account is memorialized, your legacy contact will have the option to do things like:
  - Write a pinned post for your profile (ex: to share a final message on your behalf or provide information about a memorial service)
  - Respond to new friend requests (ex: old friends or family members who weren't yet on Facebook)
  - Update your profile picture and cover photo
- You also have the option to allow your legacy contact to download a copy of what you've shared on Facebook, and we may add additional capabilities for legacy contacts in the future.
- Your legacy contact can't:
  - Log into your account
  - Remove or change past posts, photos and other things shared on your Timeline
  - Read your messages
  - Remove any of your friends”

Facebook: “Legacy Contact”



Your Legacy Contact

A legacy contact is someone you choose to manage your account after you pass away. They'll be able to do things like pin a post on your Timeline, respond to new friend requests and update your profile picture. They won't post as you or see your messages. Learn more.

Jay Lonergan
Remove · Message

Data Archive Permission

- [x] Allow my legacy contact to download a copy of what I've shared on Facebook. This may include posts, photos, videos and info from the About section of my profile. Messages won't be included. Learn more.

If you don't want a Facebook account after you pass away, you can request to have your account permanently deleted instead of choosing a legacy contact.
Request account deletion.

Google: “Inactive Account Manager”

- Inactive Account Manager - lets users decide what will happen to their Google account when it's been inactive for a certain predefined period of time (3 months, 6 months, 9 months, 12 months, 15 months or 18 months).
- Can apply to all accounts associated with your Google account like YouTube, Gmail, Blogger and AdSense.
- You will need to provide Google with your phone number for alerts and notifications. If you have been inactive for the selected period of time, ***Google will send you a message before your account is timed out and the Inactive Account Manager is notified***.

Google: “Inactive Account Manager”

From the Google Help Page:

- What will trusted contacts receive?
- Contacts will only receive notification once your account has been inactive for the specified amount of time -- they will not receive any notification during setup. If you chose to only notify your contacts of your inactive account, they'll receive an email with a subject line and content that you wrote during setup. We'll add a footer to that email, explaining that you've instructed Google to send an email on your behalf after you've stopped using your account. This footer might say something like this:

    John Doe (john.doe@gmail.com) instructed Google to send you this mail automatically after John stopped using his account.

    Sincerely,
    The Google Accounts Team

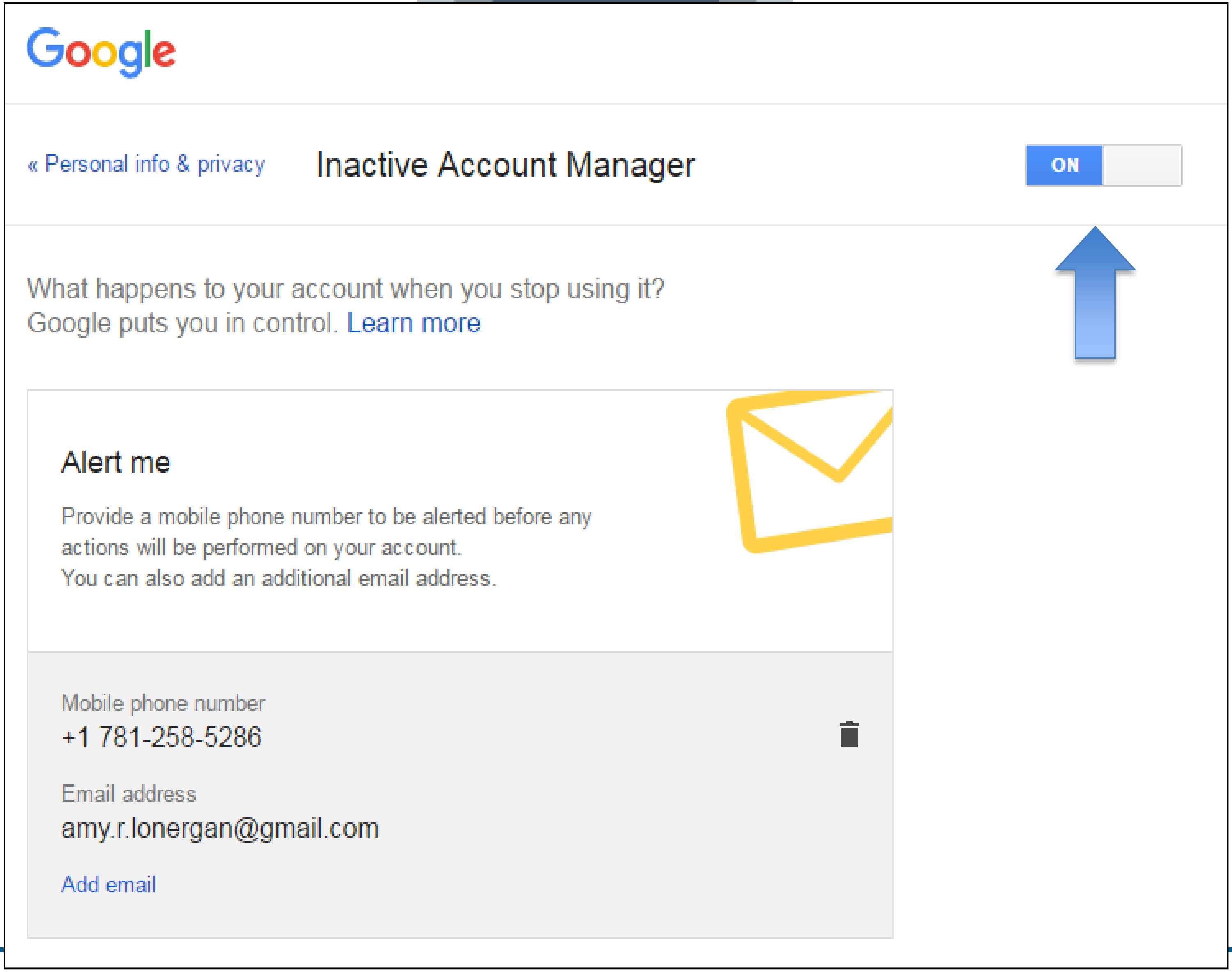
- If you chose to share data with your trusted contact, the email will additionally contain a list of the data you have chosen to share with them, and a link they can follow to download the data. An example of such message could be:

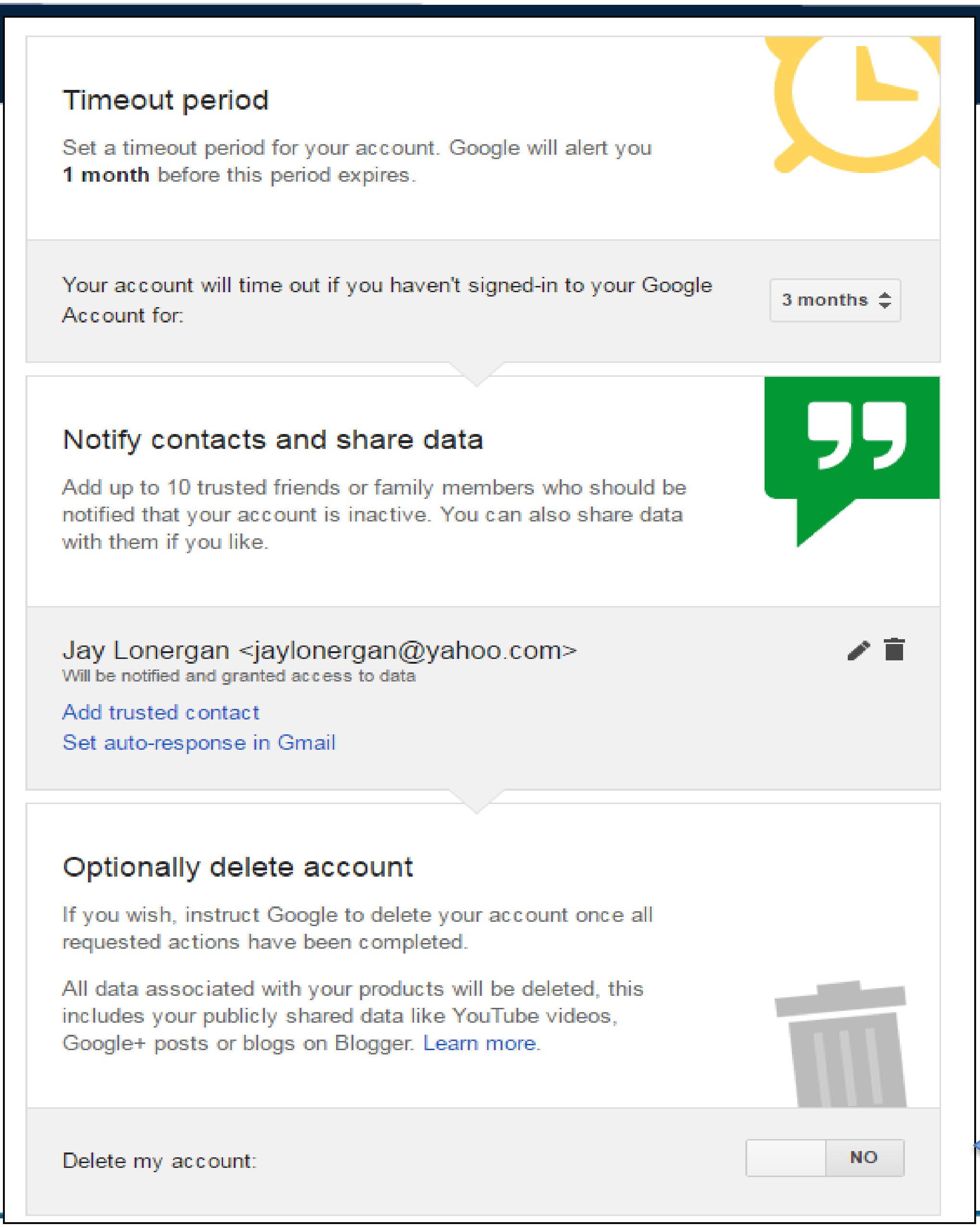
    John Doe (john.doe@gmail.com) instructed Google to send you this mail automatically after John stopped using his account.

    John Doe has given you access to the following account data: +1s, Blogger, Drive, Mail, YouTube

    Download John's data here.

    Sincerely,
    The Google Accounts Team


Google
« Personal info & privacy
Inactive Account Manager
ON
What happens to your account when you stop using it?
Google puts you in control. Learn more
Alert me
Provide a mobile phone number to be alerted before any
actions will be performed on your account.
You can also add an additional email address.
Mobile phone number
+1 781-258-5286
Email address
amy.r.lonergan@gmail.com
Add email


Timeout period
Set a timeout period for your account. Google will alert you **1 month** before this period expires.
Your account will time out if you haven't signed-in to your Google Account for:
3 months
Notify contacts and share data
Add up to 10 trusted friends or family members who should be notified that your account is inactive. You can also share data with them if you like.
Jay Lonergan <jaylonergan@yahoo.com>
Will be notified and granted access to data
Add trusted contact
Set auto-response in Gmail
Optionally delete account
If you wish, instruct Google to delete your account once all requested actions have been completed.
All data associated with your products will be deleted, this includes your publicly shared data like YouTube videos, Google+ posts or blogs on Blogger. Learn more.
Delete my account:
NO

Fiduciary Powers in Estate Plan

- Sample language (Day Pitney), granting Personal Representative or Trustee access to digital property and information:

  (a) To exercise control of the Settlor's digital property; to obtain access to the contents of the Settlor's e-mail, voice messages, text messages and other electronic communications; to continue, terminate, or access and modify content or otherwise exercise rights with respect to any online service through which the Settlor stored digital content, including documents, photos, videos, financial and other data; and to obtain, maintain, or change any passwords or other information or features required to control access to such online services. Online services include, without limitation, any web hosting platform, domain or DNS registration service, social networking or micro blogging platform, electronic health records storage service, financial account service, financial accounting service, phone or voicemail service, short message service and e-mail service.

Contact Information

Amy R. Lonergan, Esq.
Day Pitney LLP
(617) 345 4613
alonergan@daypitney.com

Joshua S. Miller, CFP®
Atlantic Trust Private Wealth Management
617 531 2549
jmiller@atlantictrust.com

TFC FINANCIAL

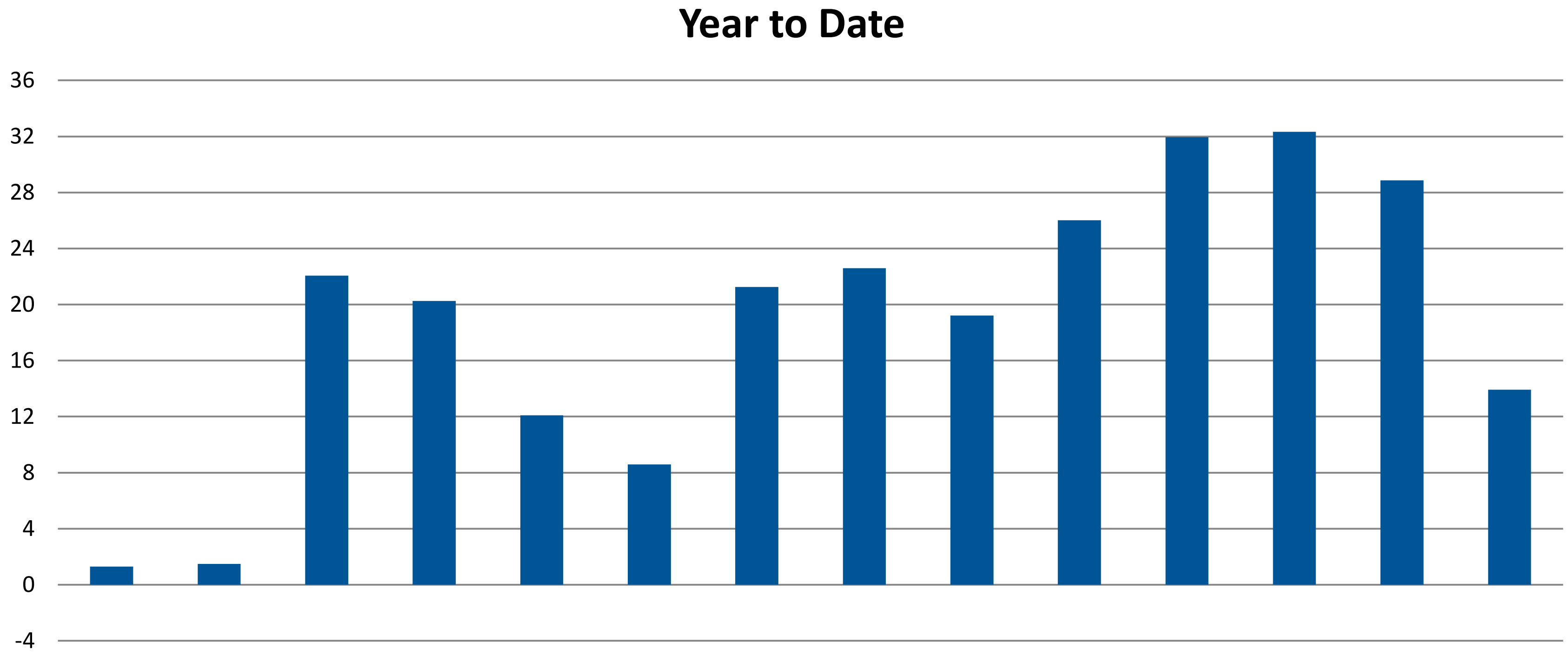
The Financial Counselors

All-CPA's: Market Outlook Presentation

December 14, 2017

Daniel Kern, CFA®, CFP®, Chief Investment Officer

International stocks are leading the pack in 2017.



	Short Term Bonds	Short Term Muni Bonds	Global Stocks	S&P 500	US Large Value	US Small Value	US Small Growth	Intl. Large Core	Intl. Value	Intl. Small Value	Intl. Small Growth	Emerging Markets	Frontier Markets	Global Real Estate
YTD	1.3	1.5	22.1	20.3	12.1	8.6	21.3	22.6	19.2	26.0	31.9	32.3	28.9	13.9
12 Month	1.5	1.9	25.0	23.1	14.7	13.1	24.5	26.7	23.9	29.8	35.4	33.4	32.1	17.9
Full Cycle*	2.6	2.4	5.6	7.9	6.4	7.4	8.5	3.1	2.5	6.2	6.2	3.6	1.6	3.6

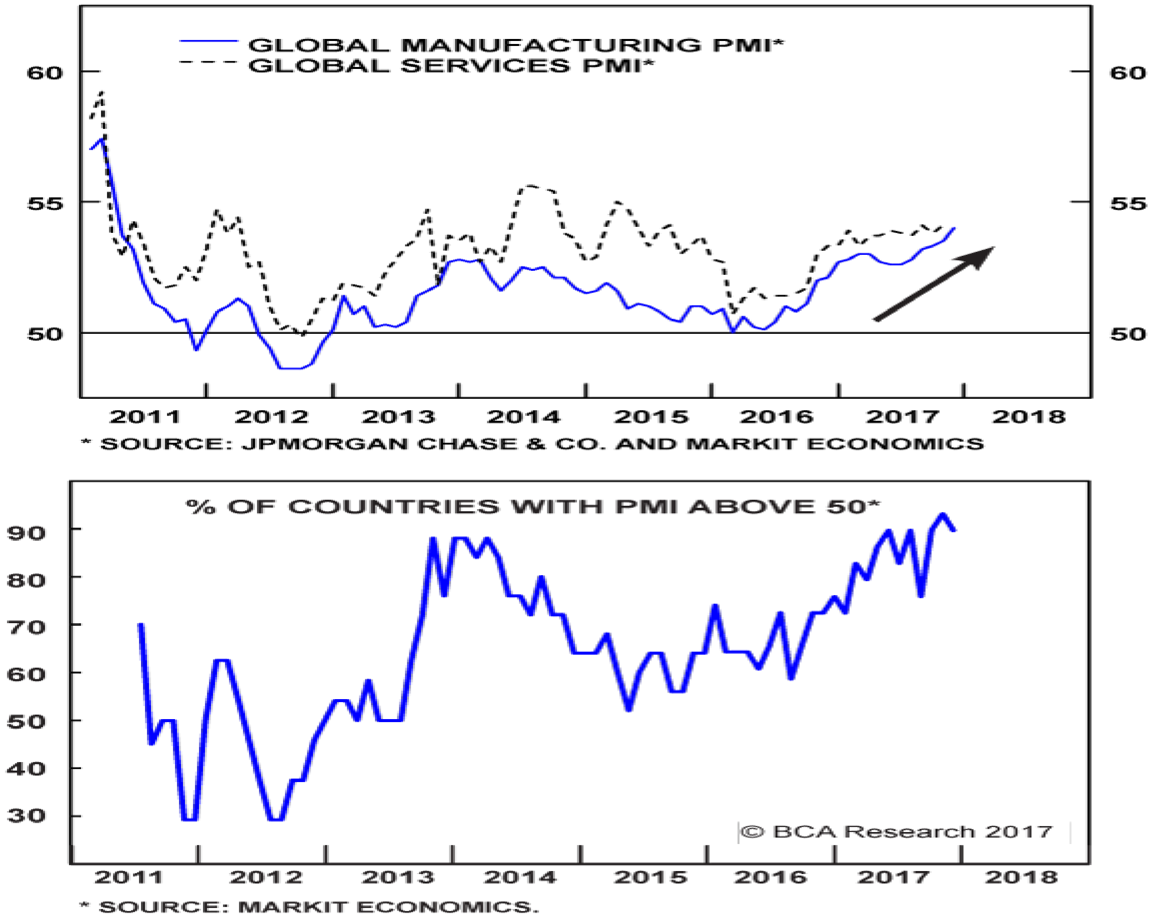
Source: FactSet, as of December 1st, 2017

*Full Cycle is the annualized return from October 2007 peak to present.

Every major economy is growing, for the first time in a decade.

Source: Charles Schwab, OECD, Bloomberg

Economic momentum appears likely to continue into 2018.



The rise of the middle class in Asia is an enormous opportunity.

"The EM middle class is growing at its fastest pace ever… ~1.6 billion or ~23% of the world's population will enter the middle class between 2015 and 2025, or ~438,000 people every day, and their spending will be enormous: an additional $17.5 trillion of consumption by 2025." (Rick Rieder, BlackRock)

Source: BlackRock

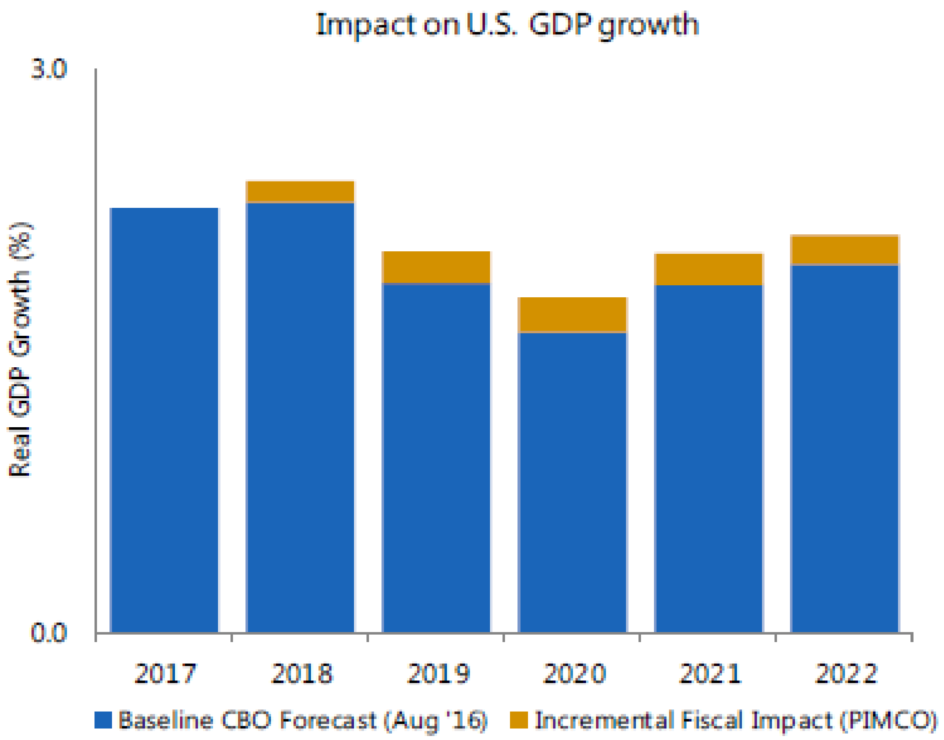
“Markets reflect profits, not politics.” (Richard Bernstein)





“We are not suggesting at all that these news events aren’t important from social, political, and economic perspectives… On the contrary, they are very important, but none of them (as of yet) are changing the course of broader secular trends, and so the market can look through them.” (Rick Rieder, BlackRock)

Economists project a small net boost to GDP growth from the tax plan.



U.S. fiscal stimulus over secular horizon could be positive for GDP, but may not be the catalyst for a New Paradigm for growth

Source: PIMCO. As of September 2017

The tax plan creates significant winners…and losers.

Winners

BerkshireBank
Life is exciting. Let us help.

IRVINE COMPANY
OFFICE PROPERTIES

Losers

KKR

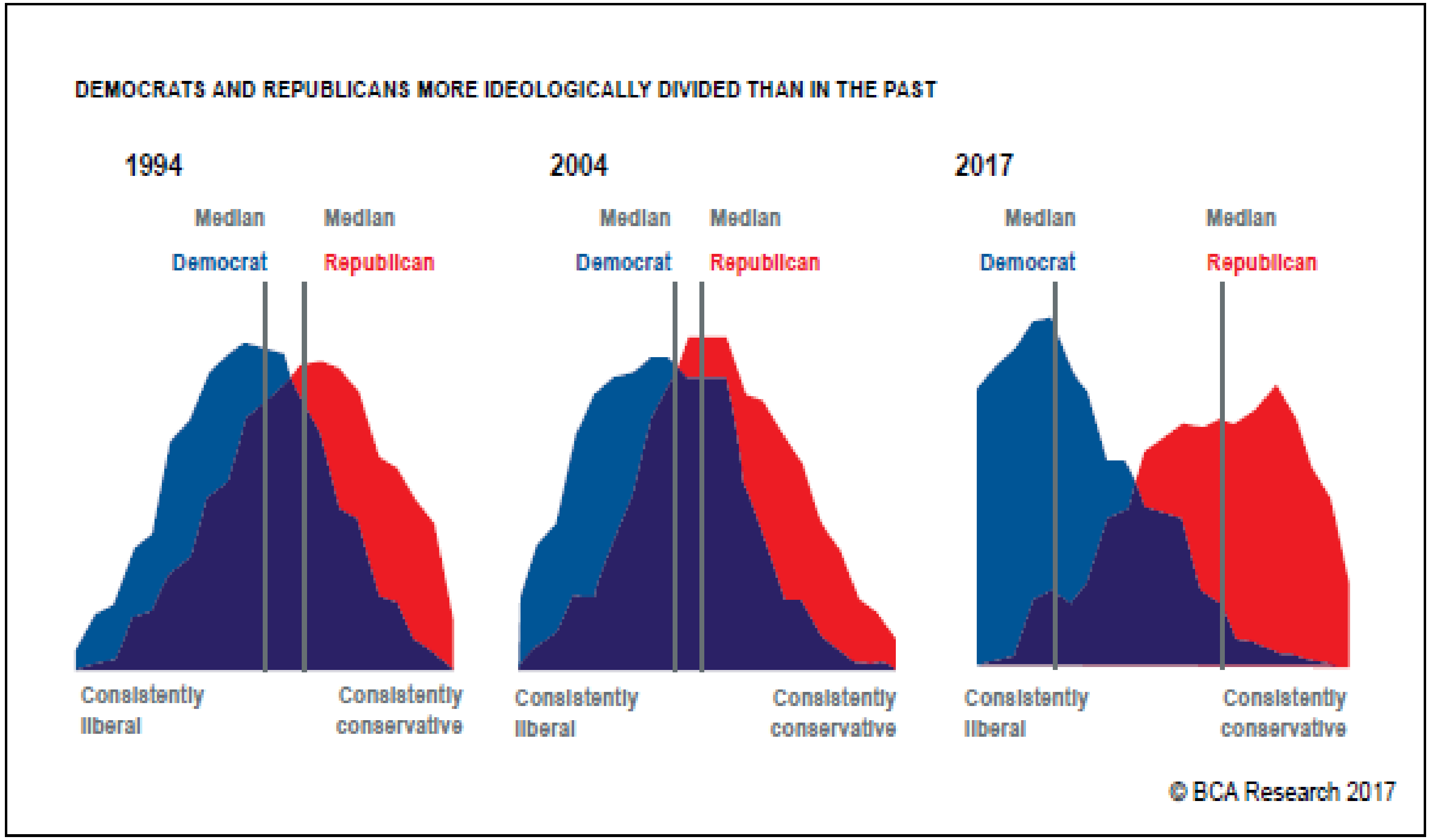
Skadden

RAIDERS

CALIFORNIA REPUBLIC

VE RI TAS
HARVARD

Political polarization is growing in the U.S.



SOURCE: PEW RESEARCH CENTER, "THE PARTISAN DIVIDE ON POLITICAL VALUES GROWS EVEN WIDER: PARTISAN DIVIDES OVER POLITICAL VALUES WIDEN," OCTOBER 5, 2017.

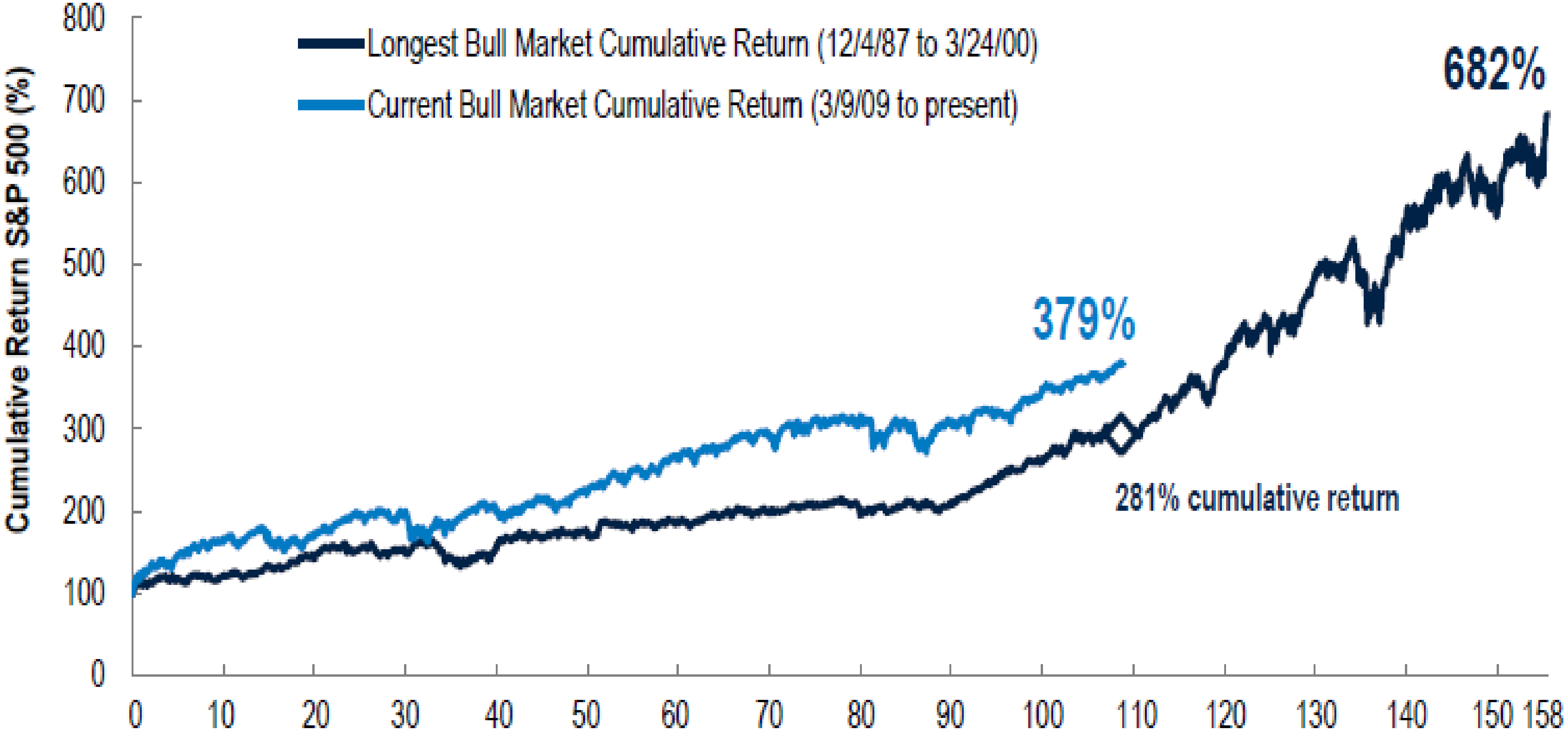
The third longest expansion in history is notable for its slow pace.

Table 1: US expansions compared

Start	End	Duration in months	Average GDP growth	Subsequent decline
May-54	Aug '57	39	3.7	-3.6
Apr-58	Apr-60	24	5.2	-1.0
Feb-61	Dec-69	106	4.8	-1.0
Nov-70	Nov-73	36	4.3	-3.1
Mar-75	Jun-80	58	3.8	-2.2
Jul-80	Jul-81	12	3.4	-2.8
Nov-82	Jul-90	92	4.1	-1.3
Mar-91	Mar-01	120	3.4	-0.3
Nov-01	Dec-07	73	2.7	-4.2
Jun-09	Aug-17	98	2.1	?
Post WWII average		66	3.7	-2.2
Post 1982 average		96	3.1	-2.0

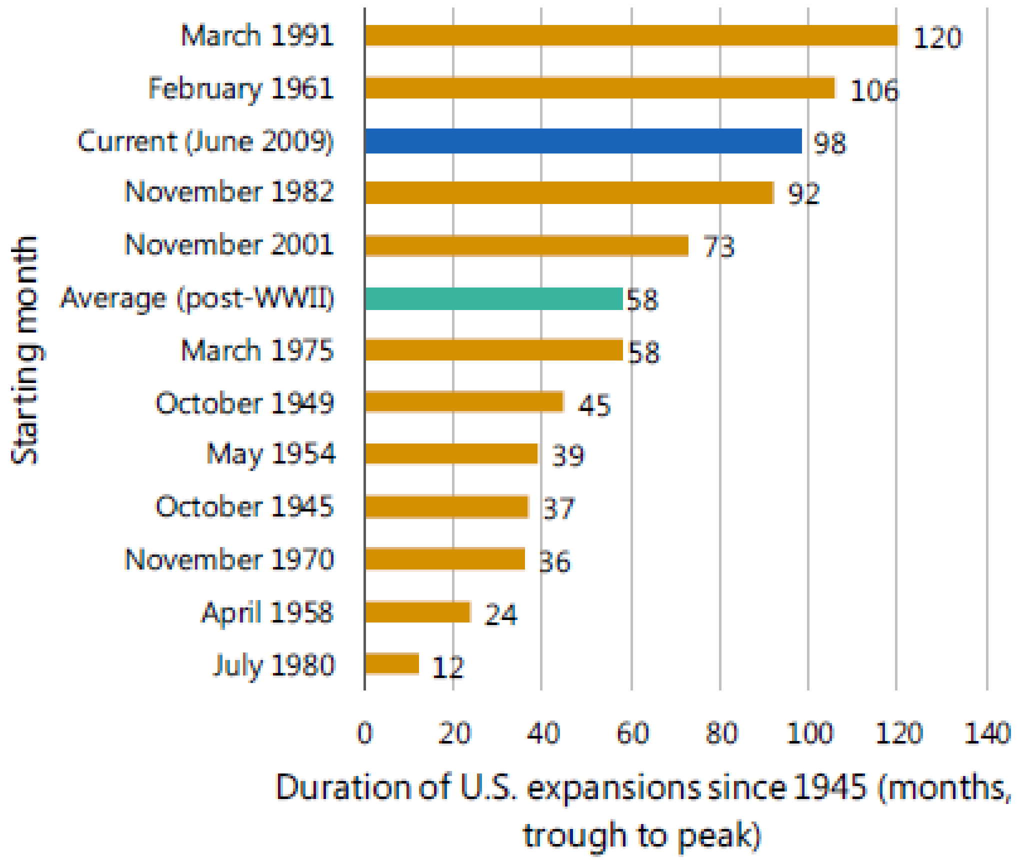
Source: NBER, TS Lombard

This bull market also falls far short of the 1987-2000 bull market.



Source: Bloomberg data as of 9/30/2017

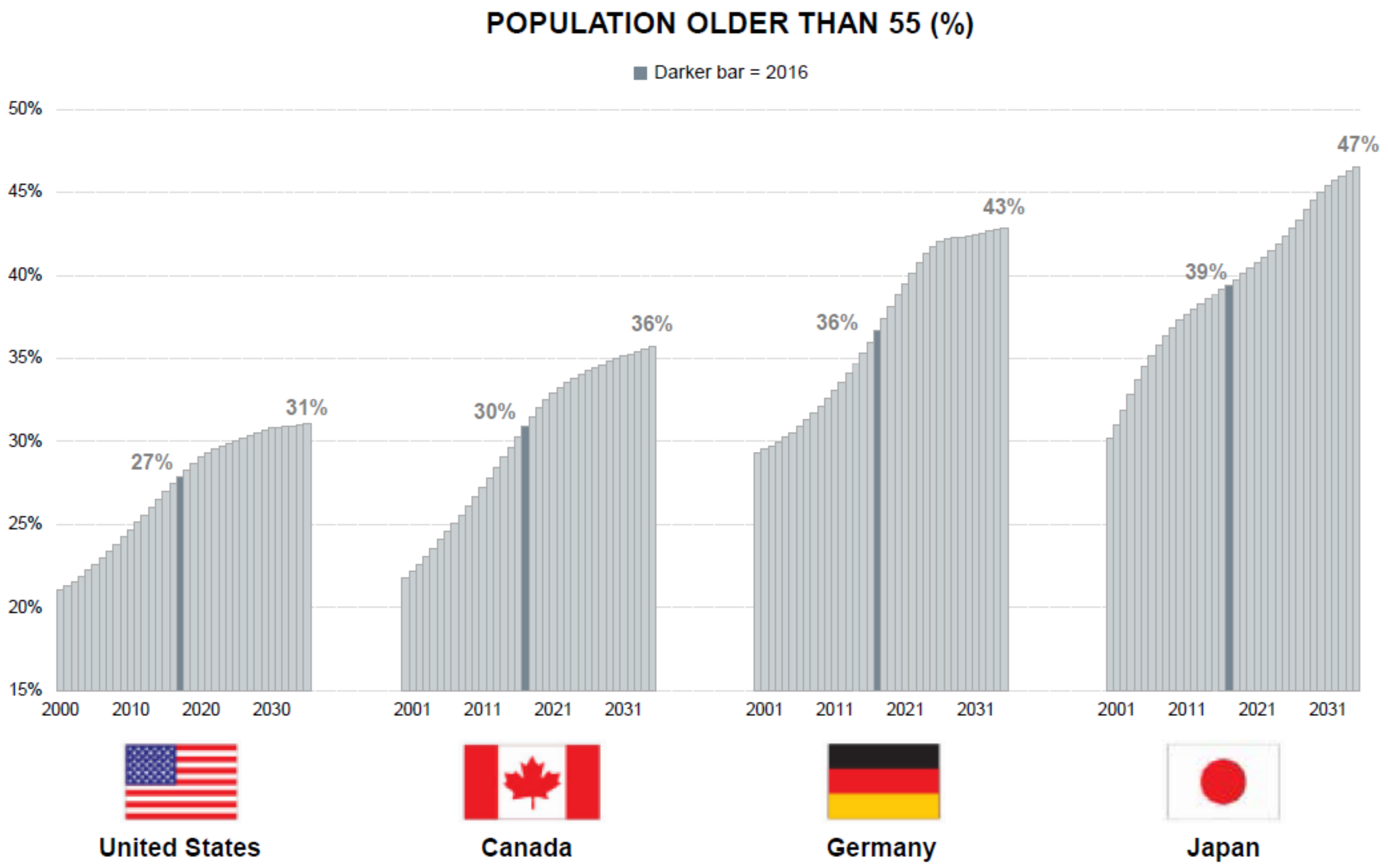
There are few signs of an impending recession.



- No over-kill from policy
- No oil shock
- No over-heating
- No over-investment
- No over-consumption

Source: PIMCO, Bloomberg. As of September 30, 2017

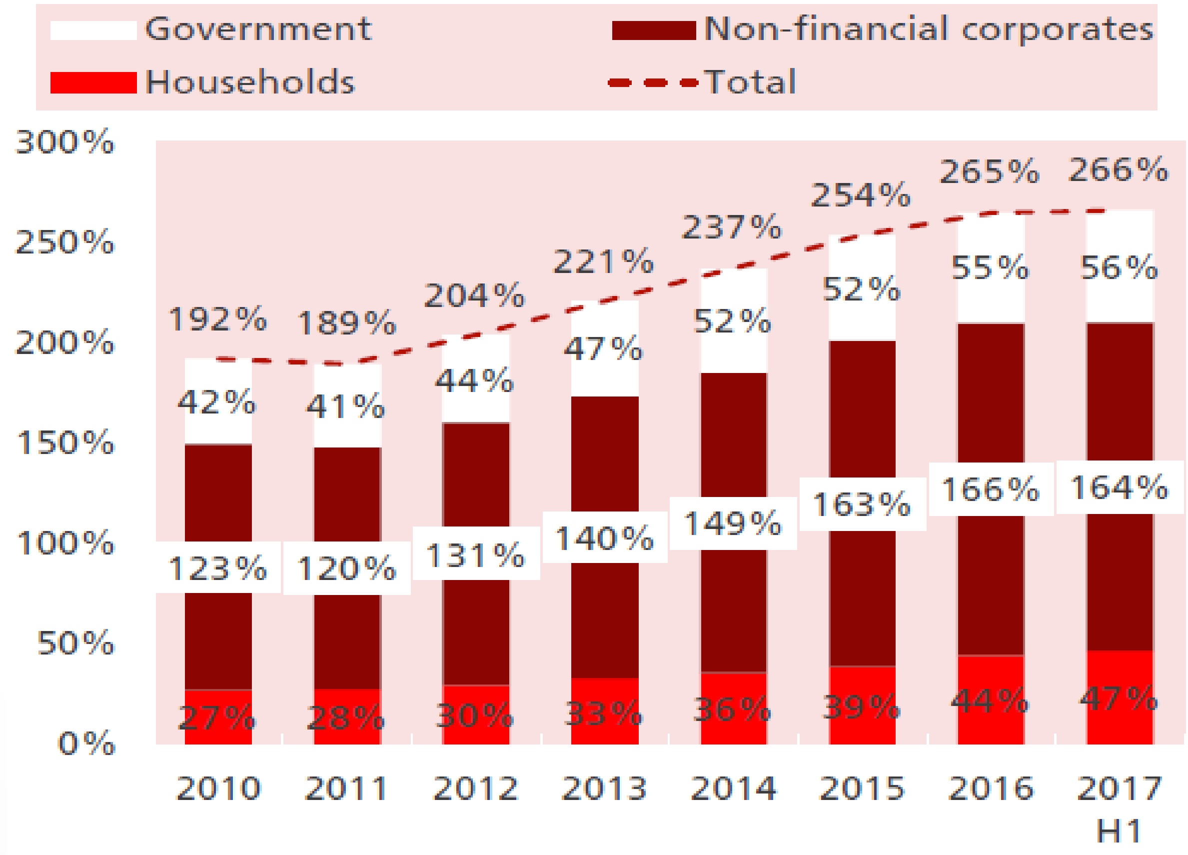
Demographics are a constraint for future growth.



Source: Fidelity, United Nations

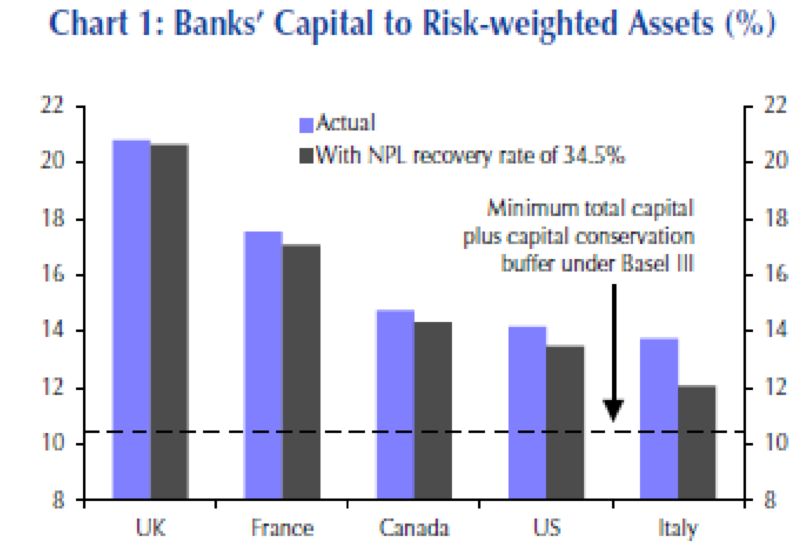
China's debt is an issue, but may not be an imminent risk.

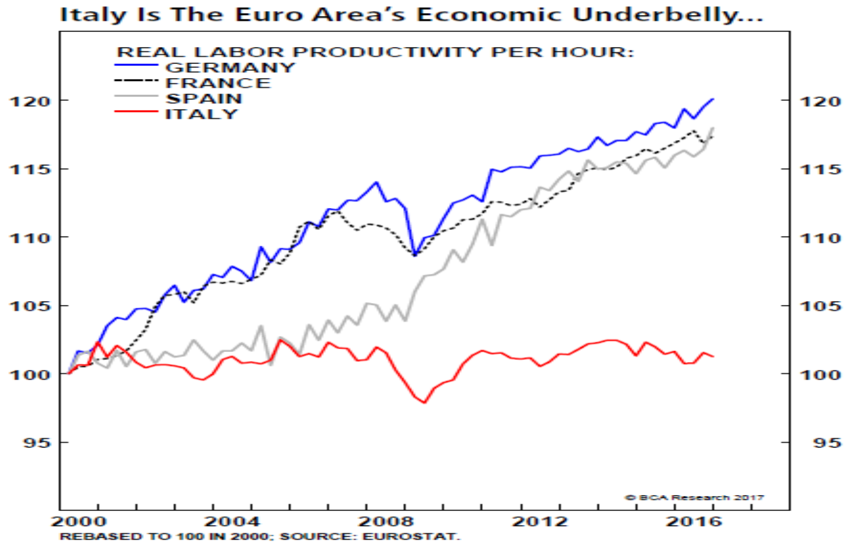
Non-financial debt as % of GDP



Source: TS Lombard

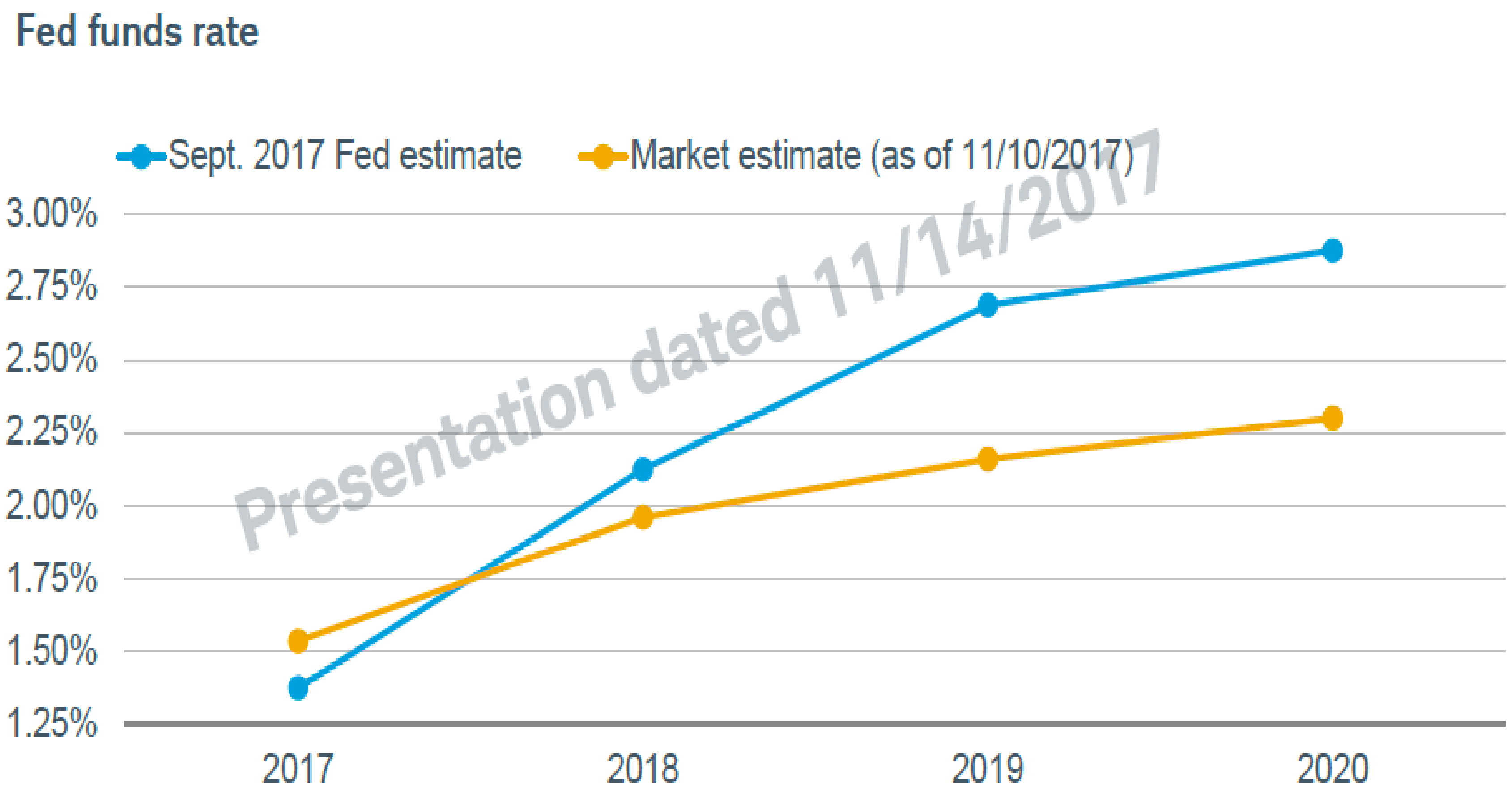
Europe faces political and economic challenges.





TFC FINANCIAL
The Financial Counselors

The market and Fed disagree about the path for rates.



Source: Charles Schwab

TFC FINANCIAL
The Financial Counselors

Asset Class Outlook

Asset Class		View	Comments
Stocks/Bonds		=	Stocks fully valued, but could rally through 2018 given economic momentum; bonds a necessary counterweight to equity risk.
Equities	*U.S.*	=	Strong earnings growth; but elevated valuations create risks.
	Europe/UK	-	Earlier in economic cycle than U.S.; however lower potential growth than U.S.; not as cheap as averages would imply.
	Japan	=	Helped by improving global growth, shareholder-friendly reforms and support from BOJ; challenging long-term outlook.
	Emerging/Frontier	+	Growth and demographic advantages relative to developed world; China slowdown a risk for 2018.
Fixed Income		=	Favor shorter-term/investment grade credits while seeking opportunities to enhance return. Long-term rates may not rise as much as feared.

\+ Overweight = Neutral - Underweight

Disclosures

Registration with the SEC should not be construed as an endorsement or an indicator of investment skill, acumen or experience.

Investments in securities are not insured, protected or guaranteed and may result in loss of income and/or principal.

Investment process, strategies, philosophies, allocations and other parameters are current as of the date indicated and are subject to change without prior notice.

Nothing in this communication is intended to be or should be construed as individualized investment advice.

All content is of a general nature and solely for educational, informational and illustrative purposes.

Any references to outside content are listed for informational purposes only and have not been verified for accuracy by the Adviser.

Adviser does not endorse the statements, services or performance of any third-party author or vendor cited.

Unless stated otherwise, any mention of specific securities or investments is for hypothetical and illustrative purposes only. Adviser's clients may or may not hold the securities discussed in their portfolios. Adviser makes no representations that any of the securities discussed have been or will be profitable.

This communication may include opinions and forward-looking statements. All statements other than statements of historical fact are opinions and/or forward-looking statements (including words such as “believe,” “estimate,” “anticipate,” “may,” “will,” “should,” and “expect”). Although we believe that the beliefs and expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such beliefs and expectations will prove to be correct.

ALL CPAs

TAX ▲ ACCOUNTING ▲ ADVISORY

Raffle Time!

Please Fill Out Your Evaluations

Thank You For Attending!