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Trusts & Estates,  
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**JANUARY ISSUE**

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**IRS Provides Tax Inflation Adjustments for Tax Year 2019: Part 1**

**3 Steps to Take Before Hiring a Professional Fiduciary**

The Internal Revenue Service announced the tax year 2019 annual inflation adjustments for more than 60 tax provisions, including the tax rate schedules and other tax changes. The tax year 2019 adjustments are usually used on returns filed in 2020.

**The tax items for tax year 2019 of greatest interest to most taxpayers include the following dollar amounts:**

- The standard deduction for married filing jointly rises to \$24,400 for tax year 2019, up \$400 from the prior year. For single taxpayers and married individuals filing separately, the standard deduction rises to \$12,200 for 2019, up \$200, and for heads of households, the standard deduction will be \$18,350 for tax year 2019, up \$350.

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As seniors age and lose the ability to properly manage their financial affairs, it is likely that a family member or friend will need to step in to handle their finances. However, in some circumstances, the aging individual may not have any family or friends that they trust to assume the role. If there is no one fit to take on such important responsibilities, then one can hire a professional fiduciary to step in.

A professional fiduciary is a licensed professional who is hired to manage an individual's personal and/or financial affairs. In California, professional fiduciaries must be licensed by the CA Department of Consumer Affairs and earn 15 hours of continuing education credit in order to renew their license every year. With such an important job to do, choosing a professional fiduciary is not a decision that should be taken lightly. Any professional fiduciary you may be considering must be properly vetted.

**What Our Clients Say About Us**

Loved dealing with Marcia and her staff. Very friendly, professional and taxes finished when promised. Extremely knowledgeable!

–AB

**Step 1 – Research**

Start with an internet search for local professional fiduciaries and conduct a little background research on each candidate. Use the Professional Fiduciaries Bureau's License Verification tool to verify the fiduciary's license is in good standing and that no disciplinary actions have been taken against them. *Note: If your professional fiduciary is a certified public accountant or attorney, they are exempt from this licensing requirement.*

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IRS Provides Tax Inflation Adjustments for Tax Year 2019: Part 1 .....

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- The personal exemption for tax year 2019 remains at 0, as it was for 2018, this elimination of the personal exemption was a provision in the Tax Cuts and Jobs Act.
- For tax year 2019, the top rate is 37 percent for individual single taxpayers with incomes greater than \$510,300 (\$612,350 for married couples filing jointly).

**The other rates are:**

- 35 percent for incomes over \$204,100 (\$408,200 for married couples filing jointly);
- 32 percent for incomes over \$160,725 (\$321,450 for married couples filing jointly);
- 24 percent for incomes over \$84,200 (\$168,400 for married couples filing jointly);
- 22 percent for incomes over \$39,475 (\$78,950 for married couples filing jointly);
- 12 percent for incomes over \$9,700 (\$19,400 for married couples filing jointly).
- The lowest rate is 10 percent for incomes of single individuals with incomes of \$9,700 or less (\$19,400 for married couples filing jointly).

Source: [www.irs.gov](http://www.irs.gov)

Please contact our office for more information.†

3 Steps to Take Before Hiring a Professional Fiduciary.....

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**Step 2 – Get References**

Don't be afraid to ask any potential fiduciaries for a list of references, including past clients, current clients, and professional partners. You can also do a quick search for client reviews online. Hearing from clients and other professionals can give you insight into the type of support the fiduciary provides and what you can expect from their services.

**Step 3 – Interview**

Glowing references do provide valuable insight, but you can't just take their word for it. The fiduciary's role is incredibly important, and it's imperative that you trust this individual will manage your affairs legally, ethically, and according to your wishes. Interviewing potential fiduciaries is a step you simply cannot skip. According to the Professional Fiduciaries Bureau, you should interview at least three licensed fiduciaries before selecting one. They even provide consumers with a list of questions to ask during these interviews.

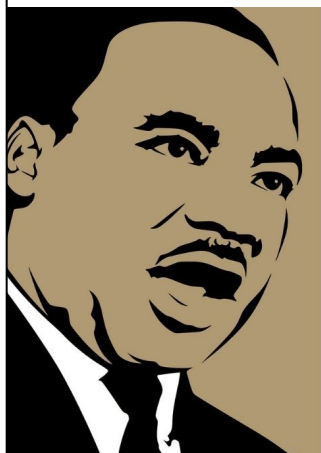
**What are the potential benefits of using a professional fiduciary?**

Some people may be reluctant to hire someone they don't know to manage their personal and financial affairs, but using an unbiased professional has its benefits. Fiduciaries have a legal and ethical obligation to act in the best interest of the individual they are representing. They must follow a strict code of ethics, and breach of fiduciary duty is taken very seriously. Hiring a professional fiduciary can also help you avoid family conflicts.

For a family member or friend, acting as a conservator can be complicated, and if mistakes are made, it can have a major impact on an estate. Hiring an experienced and licensed professional can ensure that every decision and action is objective and appropriate.

Source: [www.mcampbellcpa.com](http://www.mcampbellcpa.com)

Please contact our office for more information.†



Martin Luther King, Jr. Day

January 20, 2020

**"If you can't fly then run, if you can't run then walk, if you can't walk then crawl, but whatever you do, you have to keep moving forward."**  
~ Martin Luther King, Jr.



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