

## WHAT IS AHEAD FOR 2022

January 2022

“At our Firm,  
Your Estate Plan  
is Not Business,  
it’s Personal...”



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“Money is like love; it  
kills slowly and painfully  
the one who withholds  
it, and enlivens the  
other who turns it on his  
fellow man.”  
-Khalil Gibran

My Dear Reader, welcome to 2022! I hope you got to enjoy your family and close out the year right, that your business thrived and ended on a good note. But most importantly, that in the midst of all the holiday madness, you were able to get some rest. Remember that your health should always be your number one priority, because with a healthy mind and body – you have a strong foundation to build a better future!



If 2021 has taught us anything, it is that no one knows what lies ahead. Way back in 2020, we thought we would be done

with this small issue called Covid-19, and as far as this year is concerned; it doesn't seem like it is going anywhere. With that in mind, let us attempt to look at what's ahead of us for the year...

Let me start with what seems to affect us all on a daily basis – has anyone noticed the cost of living lately? We all know that Orange County is a thriving community, but this is getting ridiculous! The price of gas keeps skyrocketing, the inflation on groceries is concerning, and the wait to purchase large assets (be it a home or a car) keeps getting longer. As a business owner, it is imperative you keep an eye out on the domestic and international economy; fluctuation is definitely going to impact us in the long run. The profit margin keeps getting smaller, while the cost of goods keeps increasing. Stay ahead of the curve by continuing to evolve. Stay focused on the things you can change around you!

Though we have been blessed with a committed team that likes to be at work, that is not the case for the majority of companies, irrespective of your industry, but especially white-collar positions. In job interviews, it has grown customary to offer 'work at home' as one of the incentives to take on the job. This is great if that is an option. However, the service industry, such as restaurants / hotels, etc... are having an extremely difficult time finding employees. Despite a raise in wages, it does not appear to be a sufficient incentive for people to even inquire about the positions. Where the service work force ends up in the coming years will be fascinating to keep an eye on.

Travel anyone? Since we all know TSA and wait time at the airport are part of the experience; coronavirus decided to throw in the omicron variant. The long-term effect and its impact have yet to be determined. However, from what we know thus far, it appears to be very contagious. When does it stop you ask? Wrong newsletter I say! I would be playing in the art of deception if I was to offer an opinion on this. You can certainly find your fair share of experts on this matter. As far as I'm concerned, I always say that time is the ultimate truth teller; so let's wait and see what happens.

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## SPECIAL ANNOUNCEMENT

Welcome back Gang!

January is a month of fresh beginnings and ends. Named for the Roman god Janus, protector of gates and doorways. Janus is represented with two faces, one facing backwards and the other forwards. The gates of Janus' temple were open in times of conflict and closed in times of peace in ancient Rome.

New Year's Day is January 1st, a day of hope, resolution, and preparation. Just like everyone else, we hope to make the adjustments we all intended from last year's list: more rest, better eating habits, more exercise, heck... maybe a new career for some of you! New Year's Day is all about taking a breather and getting ready for the year ahead.

The first holiday in the calendar is the New Year's celebration. We hope yours was a great one. To start off the year, some will clear out their workstations, prioritize trip plans, and maybe put some of those unused gift cards to good use! 😊

Your New Year resolutions should assist in the establishment of good habits, putting you on the road to health and regeneration. However, remember that new starts aren't necessarily about your physical selves only. Don't forget to try new things or adopt new ways of living.

To kick off the year, this month's entrepreneurial pick will be "The Millionaire Fastlane." It's a must-read for achieving the right mentality. This book review will show you how to build and preserve money. You'll well be on your way to becoming a millionaire!

# BIG TAX CHANGES FOR 2022... BUT NOT REALLY



The end of 2021 brought about a lot of commotion. Between the new variant, the anticipated estate tax changes (very heated debates went back and forth), traveling restrictions continuing on... It was a lot to deal with for closing out the year. But we made it, and we are all in one piece.

The anticipated tax reform was a scary proposition. This would have changed the landscape of estate planning in a significant way. As your much trusted newsletter advisor, it was my duty to forewarn many of you of the impact it would have had on your financials and your family's inheritance exposure. As anticipated, many of you were smart and reached out to find out more. In the end however, it ap-

pears that the official estate and gift tax exemption was not going to be reset... at least not yet. Thank goodness for that!

As things stand for 2022, the exemption will now climb to cover the inflation amount, thus making it a cool \$12.06 million per individual. If you are married, that equates to \$24.12 Million of estate tax protection. That leaves quite a large portion of the population, even for Orange County, safe of any unplanned tax exposure.

All in all, this is great news. It appears the global economy, let alone the U.S., is undergoing some radical changes. Discussions of a looming stock market crash, a real estate correction, and the on-going inflation we are all experiencing; there appears to be a lot of unknown for us all to deal with at the moment. Maybe this estate tax change can wait (at least) another year.

The IRS also announced its new inflation adjusted numbers in Rev. Proc. 2021-45. The annual gift tax exclusion has now increased to \$16,000 / year per individual. As a general rule, and a good 'planning' technique, we recommend our clients to consider using this lifetime gift tax exemption throughout life and to do so consistently. People are always surprised at the impact such a 'small' distribution can have on an estate when carried out over years. Especially when the client(s) has many beneficiaries, it makes planning overall less stressful, but enables the client(s) to actually feel in control of the plan and actually see its benefits. There is nothing wrong with waiting to do an overarching plan, but this little distribution is quite useful indeed.

A few other small tips to conclude this article – transferring a potentially growing asset (i.e., real estate) out of your estate minimizes the tax exposure from the value growth of that particular asset. Also, don't forget that you have unlimited direct payments for medical and tuition expenses for as many people as you would like, carrying absolutely zero gift or estate tax consequences.

So even though 2022 doesn't seem to be an easy year ahead, it is good to know that you still have an array of options at your disposal. We encourage you to continue your legal and financial education, and see the incredible impact it can have in your financial affairs.

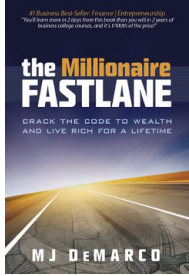
As a firm, we are not going to sugarcoat things for you. We do anticipate 2022 to be a tough year, we are living in a very interesting time, witnessing economical changes as we have never seen are taking place. Stay informed, keep learning, and we will stay by your side as your consigliere! Have a great start to 2022!

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Lastly, it appears politics has taken a central role in our daily lives. One that has grown much more prevalent over the years. For someone that considers themselves rather apolitical, I cannot deny that it never fails to creep its head in as part of the fabric of our conversations, be it – traveling restrictions, currency exchange, inflation, and so forth. Despite their on-going passive aggressive disputes, China and the U.S. will have to come together and resolve a laundry list of on-going issues. As heatwaves increase in frequency, decarbonization will require the West and China to cooperate, despite the geopolitical rivalry deepening.

As you can tell, we have a full year ahead of us. 2022 is not meant for the faint of heart. No, I don't foresee easy times ahead of us. But I come to you as an eternal realistic optimist. Stay in your lane, continue honing your craft, and good things should await us.



## “The Millionaire Fastlane” –

### A review

This book is authored by MJ DeMarco, who has completed a very remarkable fast lane tour. He went from a miserable 26-year-old living in his mother’s basement to a billionaire at the age of 31 after choosing the Fastlane path.

MJ DeMarco is a multibillionaire entrepreneur who runs the largest limousine rental firm in the United States. What sets him apart is that he sold his company, then purchased it back and turned it into a huge success. MJ DeMarco is a car nut who analogized the route to riches to a “road trip.” In the book, he analogizes the path riches into three categories: roadside, slow lane, and fast lane. DeMarco claims that there are three types of individuals based on his life path and observations of fellow wealth seekers on the road of life. The Sidewalkers, the Slowlaners, and the Fastlaners, of course.

The Sidewalkers are folks who are unconcerned about their financial situation. They are innumerate (financially illiterate), live from credit card bill to credit card bill, blame the system for their misfortunes, and live in poverty, or worse; a debt-ridden life of feigned luxury.

Slowlaners are those who work hard, save diligently, invest well, and create a savings account for their future and retirement. They are the people who strive to become wealthy as they age, and who, according to the author, amass fortune only to find themselves unable to spend it in their later years on the things they desired when they were younger. These are the ‘acolytes’ of popular groupthink and adherents to the conventional wisdom of ‘slow’ wealth accumulation.

Then there are the Fastlaners, who spot opportunities to accumulate riches rapidly, invest it in the “money machine” (dividends and interest), and retire early. They have a ‘impact’ on millions of people’s lives, develop assets that they can sell for ‘multiples,’ and generate money while they sleep, among other things. Entrepreneurs who strike it wealthy, in a nutshell.

The book has parts dedicated to each of these categories of persons. The book’s last section explains how each one of us has a ‘fastlane’ that we can tap into, and he teaches you how to spot your fastlane and take advantage of it. The author suggests a formula for starting a business called the CENTS formula.

So, in short, the book’s central argument is that you can ‘become rich quick’ (but not ‘get rich easy,’) and that you don’t have to be doomed to a life of poverty or slow progress if you just set your mind to it.



### Health benefits of Probiotics

Probiotics are living bacteria that can be taken as supplements or in fermented meals. A growing number of studies relate the balance or imbalance of bacteria in your digestive tract to general health and disease. Probiotics have been linked to a variety of health advantages, including promoting a healthy balance of intestinal flora. These include weight loss, digestive health, immunological function, and other advantages.

What are the advantages of probiotics? Bacteria have a bad reputation for creating disease, so the concept of ingesting a few billion a day for your health could be difficult to swallow - literally and metaphorically. However, a growing amount of scientific data shows that meals and supplements containing particular types of live bacteria can be used to treat and even prevent various ailments. Because of their practise of consuming foods fermented with bacteria, such as yoghurt, Northern Europeans absorb a lot of these helpful microbes, known as probiotics (from pro and biota, meaning “for life”). In Japan, probiotic-laced beverages are likewise major business.

Probiotic pills are being recommended by several digestive disease specialists for conditions that defy traditional medication, such as irritable bowel syndrome. Clinical research have suggested that probiotic treatment can help cure a variety of gastrointestinal ailments, postpone the onset of allergies in infants, and treat and prevent vaginal and urinary infections in women since the mid-1990s. Not all probiotics are the same. Different bacteria strains have different impacts. One strain, for example, may battle cavity-causing germs in our mouths without needing to pass through our intestines.

People with Crohn's disease and irritable bowel syndrome may benefit from probiotic treatment. Although the outcomes of clinical trials are inconsistent, numerous small studies show that particular probiotics may help sustain ulcerative colitis remission and prevent Crohn's disease relapse and pouchitis recurrence (a complication of surgery to treat ulcerative colitis). Many individuals are trying probiotics before all the proof for the strains they're using is in since these conditions are so difficult to cure.

Probiotics are typically thought to be harmless because they're already present in a healthy digestive system, yet they may pose a risk to persons with weakened immune systems. Make sure the ingredients are listed on the label and that you or your health care practitioner are acquainted with them. It's impossible to assess the safety of unidentified mixes.

Studies have indicated that probiotics can help with symptoms of mental diseases such melancholy, anxiety, stress, and memory loss. Probiotics may protect the heart by lowering “bad” LDL cholesterol levels and lowering blood pressure.



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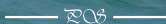
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As we bid farewell to 2021, we can look forward to what 2022 will bring: the hopeful abolition of the COVID pandemic, resurgent economic development, and, most significantly - the opportunity to securely congregate with colleagues, friends, and family once more.

For many of us, the year 2021 was a difficult one. It was a year in which we learned that being connected, even if it was just digitally, may help us get through difficult times. The one thing we should not forget and treasure, is the way people came to each other's rescue.

So let us keep working together, discussing issues openly, and being grateful for the opportunity to learn and grow in the field we love.

We recognize that change is unavoidable, and as public servants, we are expected to be adaptable and nimble. You'll need a solid foundation to properly handle change. In 2022, let us assist you and your family in those changes.

This is a vital message to remember in our fast-paced world: take your time to end in a well-rounded fashion so that you may happily start over and go on with your life. Spend time with friends, set aside time for yourself, pick up new skills or brush up on old ones - whatever you do, make 2022 a year to remember for all the right reasons!

