



Life and Estate Planning Update

Did You Know?

Federal Inheritance Tax Exemption Change

As of January 1, 2009, federal inheritance taxes will only be owed on estates valued at \$3.5 million or more.

Since May 17, 2005, Washington has imposed a tax on the estates of deceased Washington residents and on the estates of non-Washingtonians who own property in the state at the time of death. The state inheritance tax is currently charged against

all estates valued at \$2 million or more. State law requires the excise tax to be paid at every death.

Your Will or Trust may need to be updated to ensure that you are continuing to maximize all tax savings opportunities.

As of January 1, 2009, the new amount for annual exclusion gifts will rise to \$13,000.

Annual exclusion gifts can be made each year, do not reduce the lifetime gift amount and do not affect the amount that may be transferred at death. Couples can make combined gifts in the total amount of \$26,000. These gifts do not result in gift taxes to the donee or to the recipient of the gift and can be an effective way to limit the growth of larger estates.

End-of-Life Decision-Making: The “Death With Dignity” Act Becomes Law

The “Death with Dignity Act” was approved by Washington voters 57% to 42% in November’s general election. The new law permits a terminally ill, competent adult state resident to make a request for medication to be self-administered that will allow the individual to end his or her life “in a humane and dignified manner.”

A patient must make both a spoken and a written request to an attending physician for such medication.

The physician must then deter-

mine that the patient is mentally competent and is making an “informed decision.” An informed decision is “based on appreciation of relevant facts” and is made after being fully informed about one’s medical diagnosis and prognosis, the potential risks associated with taking the medication, the probable results from taking the medication, and “feasible alternatives” including comfort measures, hospice care and pain control.

A patient who makes both an oral and written request to a phy-

sician for lethal medication must wait for at least 15 days and must then repeat the request to the attending physician. After the second request is made, and before complying, the physician must offer the patient an opportunity to withdraw the request. The patient may revoke the request at any time and in any manner.

Washington’s law was championed by former Governor Booth Gardner and is modeled on Oregon Measure 16, which Oregon voters passed in 1994.

At SCB, attorneys in our Family Law, Life and Estate Planning Group provide client services in estate planning and elder law – including guardianship, probate, trust and estate litigation, and dispute resolution – and family law – including dissolutions, child support, and custody actions.

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Budget Crisis Challenges King County Court System

In October, King County Executive Ron Sims announced that “extreme economic conditions facing the entire country” had resulted in a dramatic, negative impact in the County's General Fund.

Just four years ago, a budget crisis forced King County to cut \$137 million from its budget, leaving County officials to puzzle over where the next round of cuts can be made.

The King County Superior Court has now been asked to identify budget savings of more than \$2.3 million.

As a cost-cutting measure, County Executive Sims proposed closing all county offices, including the King County Superior Court, for 10 working days in 2009. But closing the courts violates the State constitution, according to Bruce Hilyer, the Presiding Judge of King County Superior Court.

In an opinion piece in the *Seattle Times*, Judge Hilyer wrote “if forced to meet these additional cuts, King County Superior Courts would have to slash services essential to the fair and efficient administration of justice.”

According to Judge Hilyer, “[t]o adopt the executive’s furlough proposal would require that Superior Court be closed while suspending civil and criminal trial and all other court proceedings.... these judicial proceedings involve decisions that directly affect the liberties of our citizens, and delays can often mean an immediate risk of irreversible harm. Justice delayed is justice denied.”

King County Superior Court is the largest general jurisdiction court in Washington. It handled more than 62,000 case filings in 2007.