

A Newsletter from Foley &amp; Foley, A Professional Corp.

# Generations

For our clients and our professional estate planning partners



## Annual Successor Trustee Workshop

*Don't Miss It!*

**When:**

December 29, 2009

**Where:**

Dimond Center Hotel  
Chesloknu Conference Room  
700 E. Dimond Blvd.

**Time:**

1 p.m.

**Who:**

For **Generations** clients, their families, successor trustees and beneficiaries.

**Why:**

- Celebrate the holidays.
- Teach your family, friends and loved ones about your estate plan.
- Allow us to get to know your family better.

**RSVP to 522-2272**

## Real Estate Property Taxes: DON'T PAY MORE THAN YOU HAVE TO!

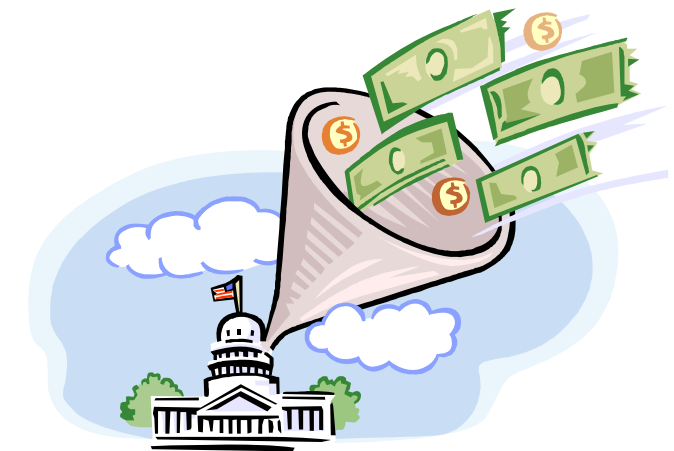
By Susan Behlke Foley

**A**re you taking full advantage of the homeowner tax exemptions that are available to you? Sometimes when your home is held in the name of a Living Trust, property tax exemptions are lost or forgotten.

### *How Exemptions Work*

A residential real estate property tax exemption can reduce the amount of assessed value of your home that is subject to tax. For example, if your home is assessed at \$250,000 and you receive an exemption of \$150,000, property taxes will be calculated on the remaining \$100,000 of assessed value.

Because state law permits each taxing authority to enact exemptions at its discretion, the rules are very different depending on where your home is located. Here is a brief review of the exemptions currently available for the Municipality of Anchor-



age, the Mat-Su Borough, and the Kenai Peninsula Borough.

### *Municipality of Anchorage*

**Residential Exemption.** This exemption applies to property used as your primary residence for at least 185 days of the year prior to the year for which the exemption will apply. You must also have been a resident of Alaska for that entire calendar year. The exemption is for 10% of the assessed value, up to a maximum of \$20,000, and only one exemption may be applied to a property (a married couple cannot receive two exemptions). You may apply for this exemption in addition

to either the Senior or the Disabled Veteran Exemption.

**Senior Exemption.** One exemption in the amount of \$150,000 is available if you were at least 65 on December 31 of the year prior to the tax year for which you apply. You must also have owned and occupied the property as your primary residence and been a resident of Alaska for the entire year prior to the exemption year. If your deceased spouse qualified for the exemption and you are at least 60 years old, you qualify as well.

**Disabled Veteran Exemption.** You are entitled to this

# Getting the Most Out of Your Homeowners Exemptions

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\$150,000 exemption for your primary residence if you are a Disabled Veteran. Again, you qualify if your late spouse received this exemption and you are over age 60. You are required to have been a resident of Alaska and have occupied the property for the entire prior year. In addition, this exemption requires submission of a letter from the VA (dated on or before December 31 of the preceding year) stating at least a 50% service-connected disability. If the letter does not indicate that your disability is permanent, you must submit an updated letter each year.

You may receive either the Senior or the Disabled Veteran Exemption, but not both. If you qualify for both, we recommend applying for the Senior Exemption because less additional documentation is required.

**Disaster Exemption.** Hopefully, you will never be qualified for this relief. It is available for a residence that is at least 50% destroyed by fire. You must apply within 60 days of the fire by contacting the Municipal Assessor's Office.

For more information and application forms visit the Anchorage Municipality website at: [http://www.muni.org/Departments/finance/property\\_appraisal/Exemption/Pages/default.aspx](http://www.muni.org/Departments/finance/property_appraisal/Exemption/Pages/default.aspx)

## *Mat-Su Borough*

**Residential Exemption.** The Mat-Su Borough does not presently have a residential exemption. A residential exemption may be considered if a borough sales tax is enacted in the future.

**Senior Exemption.** The rules, requirements, and exemption amount for the Seniors' exemption in the Mat-Su Borough are the same as for Anchorage.

**Disabled Veteran Exemption.** The Mat-Su Borough also applies the same rules, requirements, and exemption amount for this exemption as the Municipality of Anchorage. Again, you must file every year if your disability is not permanent.



For more information and exemption forms, visit the Mat-Su Borough website at <http://www.matsugov.us/finance/index.php/assessment> and click "Forms."

## *Kenai Peninsula Borough*

**Residential Exemption.** The Kenai Peninsula's Residential

Exemption is a flat \$20,000. To qualify, you must own and have occupied the property (or a mobile home) as your permanent place of residence for at least 183 days during the previous year. If you have not owned the property that long, you must intend to live there for at least 183 days of the year you apply and future years. If medical issues prevent you from living in the home for 183 days, you may apply for an exception.

**Senior Exemption.** The Borough exempts up to \$300,000 of assessed value for senior citizens. Some cities, however, exempt only \$150,000. Therefore, if you live within the city limits of Homer, Kenai, Soldotna, Seldovia, or Seward, the city portion of your tax bill will receive the \$150,000 exemption and the borough portion will receive \$300,000. To qualify, you must meet the same age requirements as for the Anchorage Senior exemptions. You also must qualify for a PFD.

**Disabled Veteran Exemption.** The same rules and requirements apply to this exemption as to the Anchorage and Mat-Su Disabled Veteran Exemptions. The borough exemption of \$300,000 is

applied with a \$150,000 limit for city taxes in some cities, as for the Borough's Senior Exemption. You may not receive both the Senior and the Disabled Veteran Exemptions.

**Disabled Resident Exemption.** If you do not qualify for either the Senior or Disabled Vet exemption, but have been determined to be totally disabled for Social Security, Civil Service, or certain retirement system purposes, you may qualify for a \$500 reduction in taxes. Applications must be submitted every year.

**Volunteer Firefighter-EMS Provider Exemption.** If you are an active volunteer firefighter or someone who provides emergency medical services, you may receive an additional \$10,000 exemption. Up to 2 such exemptions are permitted per household.

All exemptions will be removed if your address changes to outside of the Borough. Forms and information about Kenai Peninsula Borough exemptions are available online at: <http://www.borough.kenai.ak.us/assessingdept/AssessingInfo/taxfacts.htm>.

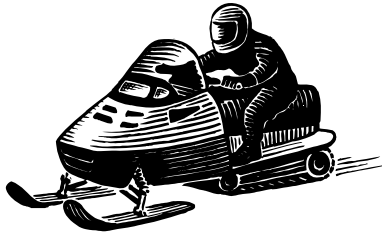
# Health Care Directives for Young Adults

## Helping Your Young Adult Children in Case of a Medical Emergency

By Richard and Susan Foley

A parent's worst fear is being unable to help their children when they are hurt. Such fears could become a reality after your child reaches age 18, if the child has not given you a proper medical power of attorney.

We recently experienced this problem firsthand when our son, Matt, was injured in a snowmobile mishap. As a 20-year-old guy, Matt is naturally testing his personal limits and the limits of his Ski-doo Mod 600. Unfortunately, he learned a few months ago that he isn't invincible and that his body has limits. The accident happened on a Sunday afternoon back in the mountains above Turnagain Pass, where the serious boys run their machines. Executing an aerial maneuver called a whip, Matt misjudged his landing and tried to bail out to avoid a crash landing. As he jumped from the machine,



his foot caught on the running board. He badly dislocated his ankle and broke three bones. Emergency surgery was required.

By the time he arrived at the emergency room by ambulance, he had already received plenty of narcotics to dull the pain. The hospital asked Susan to consent to surgery and treatment on Matt's behalf because the staff and doctor knew his decision-making ability was impaired.

But Matt is an adult. Could Susan legally give consent? The hospital didn't seem to care about formal legalities in this case, but fortunately Matt had executed a Health Care Directive last year before he went off to welding school in Oklahoma. Susan was able to get to the Anchorage hospital and give consent for surgery. Susan understood that she was able to help her son in this emergency and that was what really mattered. All's well that ends well. Matt will heal and walk again. The accident could have been much worse. Matt had time to rethink aerial stunts on a

snow machine while convalescing at home for eight weeks with his foot up.

But our personal experience has reinforced our belief that parents of adult children who are still at home or attending college should

hospitals. Alaska law authorizes the use of a limited power of attorney for this purpose. Parents should also make sure that caregivers and potential medical providers have access to the child's health history, immunization records, and allergies.

## *College-age children are no longer minors under Alaska law.*

consider having them execute an appropriate medical power of attorney. Here are some of the steps we recommend:

### **Emergency Medical Decisions for Minor Children.**

Schools and childcare providers require that an emergency plan be established for children under age 18. They typically require emergency contact information, including names and phone numbers for pediatricians and hospitals.

Parents who might be separated from their minor children in an emergency should provide written authorization for caregivers to make health care decisions and to communicate with physicians and

### **Medical Decision-Making for Young Adult Children.**

Most college-age children are no longer minors under Alaska law. But once a child reaches age 18, he or she has the legal ability to sign a Health Care Power of Attorney. The Alaska Statutes provide an Advance Health Care Directive form that includes power of attorney and living will instructions. Forms are also available at the local hospitals and online. These documents can be difficult to understand. They should be completed only after careful study or with the assistance of a professional.

When an adult child wants you to make emergency





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## Young Adult Medical Emergencies

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health care decisions, you should be named as a decision maker in the Advance Medical Directive. Because the Alaska Advance Medical Directive may be unfamiliar to hospitals in other states, it's wise to have a child sign a directive that's valid in the state where he or she is working or attending college. Your child should also sign an authorization for release of protected information under the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). This document is additional proof that medical profes-

sionals may communicate with you.

### **Assuring that Your Child's Health Care Documents are Available in an Emergency.**

If your child has signed an Advance Medical Directive and HIPAA Authorization for you, be sure you both know where the documents are.

Most college-age kids are not well organized and you should probably keep the original documents. Be sure

you also have a list of allergies and current medications.



Consider using an online document storage service such as DocuBank ([www.docubank.com](http://www.docubank.com)) to en-

sure that this information is easily available to you and to a hospital. DocuBank will fax copies of health care related documents to a hospital that requests them. Their I.C.E. (In Case of Emergency) service will even send you a text message or e-mail if a hospital asks for the documents. They also provide a wallet card for your child to carry, requesting that DocuBank be contacted in an emergency.

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