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## MESSAGES from the Masters

### WHAT MAKES PEOPLE TICK?? by Paul J. Meyer

First of all, I am not a psychologist. HOWEVER, I am something BETTER...I have over 50 years experience from watching, asking questions, taking risks, facing obstacles...plus the most important thing: praying and asking God for WISDOM & UNDERSTANDING!!

From this lifetime accumulation, I have learned the following to be ABSOLUTES concerning people:

**1. People act in their own self-interests!** I have never perceived this as bad. I believe we are inherently made that way.

**2. There are only TWO REASONS that ninety-nine percent of the time anyone does anything:**  
1) Either to gain a benefit, or 2) To avoid a loss.

**3. There is no Santa Claus!** (He ain't comin'!) And yet, it's sad to say, so many people are sitting around in their offices procrastinating, making excuses, thinking that something magical is going to appear.

**4. There ain't no free lunch!** Too many young people have developed a "lottery mentality"...If they could just hit the BIG one! The truth is, we are only going to get what we go after...inch by inch...step by step...day by day.

**5. Everybody has a hot button!** The only way we know where and what it is, is to ask questions, listen, and be empathetic, seeing things from their point of view.

**6. People respond to those who have "SERVICE ATTITUDES."** All people should possess a service awareness, a service consciousness that says, "Your needs and wants are important to me."

**7. You must be sensitive and empathetic.** Empathy is the imaginative projection of yourself into the other person's shoes.

People respond to those who have loving attitudes. This means thinking more highly of others than yourself...putting other people first.

### ACHIEVE SUCCESS BY USING THE GOLDEN RULE PHILOSOPHY!!

If you can master the above, and go out of your way to articulate and communicate it, with a golden-rule philosophy...doing unto others as you would have them do to you...then I promise you that the world will become your cornucopia and you will set records you didn't try to set!



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### About Our Firm...

McCormick-Klessig & Assoc., Ltd. provides individuals, families, small and medium sized businesses with complete coverage of personal and business risks in all product lines: Commercial Personal Life Accidental and Health (including group products).



## Estate Planning and the 2001 Tax Act

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA 2001) made numerous changes to the three federal taxes on transfers of assets from one person to another – the gift tax, the estate tax and the generation-skipping transfer tax. These changes are phased in from 2001 to 2010. **The complicating factor for estate planning purposes is that the entire Act will automatically terminate, or "sunset," at the end of 2010 unless a future Congress extends its provisions.** If the Act sunsets, 2001 tax rules will then apply in 2011, as if the EGTRRA 2001 had never become law.

### Gift Tax

#### A tax on the right to transfer property by gift during life:

- While the Act does not repeal the gift tax, the top gift tax rate is gradually reduced from 55% to 35% between 2002 and 2010. In 2011, the top gift tax rate reverts back to 55% plus the additional 5% surcharge in effect in 2001.
- The Act increases the exemption equivalent of the gift tax unified credit from \$675,000 in 2001 to \$1,000,000 for 2002 through 2010. In 2011, the unified credit equivalent remains at \$1,000,000 (as scheduled to increase prior to the Act).
- Any transfer to a trust in 2010 will be treated as a taxable gift unless the trust is treated as wholly owned by the donor or donor's spouse under the grantor trust rules.

### Estate Tax

#### A tax on the right to transfer property at death:

- The Act gradually reduces the top estate tax rates and increases the exemption equivalent of the estate tax unified credit from 2002 through 2009.
- The qualified family-owned business deduction is repealed for 2004 through 2009.
- The state death tax credit is reduced by 25% per year from 2002 through 2004 and then replaced by a deduction for 2005 through 2009.
- The deferral of estate tax attributable to a closely held business is expanded for 2002 through 2009.
- The estate tax is repealed in 2010.
- The estate tax resumes in 2011, with 2001 tax rules generally applying as if the EGTRRA 2001 had never become law.

### Generation-Skipping Transfer (GST) Tax

#### A tax on the right to transfer property during lifetime or at death to a member of a generation more than one generation younger than the person making the transfer:

- The Act gradually reduces the GST tax rate from 55% to 45% between 2002 and 2009, and gradually increases the GST exemption to \$3,500,000 between 2004 and 2009.
- The GST tax is repealed in 2010.
- The GST tax resumes in 2011, with 2001 tax rules generally applying as if the EGTRRA 2001 had never become law.

**If you would like additional information on specific provisions of the 2001 Tax Act or to discuss how it might impact your planning, please call my office.**

The purpose of this newsletter is to provide information of general interest to our clients, potential clients and other professionals. The information provided is general in nature and should not be considered complete information on any product or concept described. For more complete information, please contact my office at Office: (715) 627-4302.