THOUGHTS FOR THE WEEK

MEMENTO MORI … MEMENTO VICESIMA HEREDITATIUM

March 08, 2024

Memento Mori
Latin: Remember you must die
(Source below)

The Roman Republic celebrated major military victories with elaborate processions. Victorious generals were carried through streets of cheering patrons on horse drawn chariots, like a 100-BC Super Bowl champion equivalent parade.

Aurigas (Roman slaves) accompanied generals in their chariots, tasked with whispering in their ears from time to time, "Respice post te. Hominem te esse memento. Memento mori!" Which is Latin for, "Look behind. Remember thou art mortal. Remember you must die!"

This served as a humbling reminder that the crowd's god-like idolization was temporary, while the general's mortality remained constant.

Imagine Travis Kelce in the Super Bowl Parade accompanied by the lowly water boy whispering in his ear every few minutes, "Great game, Travis. Could not be happier for you and Taylor. But don't forget. You're gonna die. Probably not now. But eventually. Go Chiefs!"

Anthropologists have traced the concept of *memento mori* across myriad civilizations – from Romans to Stoics, Egyptians to Buddhists – and our inevitable passing is consistently woven into things like literature, cultural ceremonies, and jewelry. Today, *Disney World* even features a haunted gift shop called *Memento Mori*.

Reflecting on death can be uncomfortable, but the objective of *memento mori* is not to make you grimace. Instead, the goal is to create priority, meaning, and perspective out of life.

Memento Vicesima Hereditatium
A very-fast-and-loose-Wikipedia-Latin: Remember you must pay estate taxes
(Source below)

We regularly communicate with clients about death, a common question being, "Will my heirs pay an estate tax when I die?" The answer is nuanced, but we would like to offer a quick non-tax advice-Public-Service-Announcement as you meditate on your mortality.

Disclaimer: This is not tax advice, and it is not comprehensive.

The estate tax is the tax paid on the transfer of your property at your death to your heirs, and its assessment is contingent on the size of your *net taxable estate*. The *gross value* of your estate (the sum of all of your assets) can be a misleading indicator, as there are numerous adjustments to consider, including, but not limited to (Source: IRS):

1. **Liabilities:** Mortgages, loans, expenses associated with settling your estate, and other debts reduce the value of your gross estate.

2. **Gifts to Spouses:** if your spouse survives you and they are sole beneficiary of your estate, the estate tax is deferred until *their* death.

3. **Charitable Gifts:** the Federal Government will not tax the portion of your estate directed toward charities.

4. **Lifetime Gift and Estate Tax Exemption:** the first $13.61M of your estate is exempt from Federal Estate Taxes, net of any large taxable gifts you have made throughout your lifetime.

Today, we want to draw attention to #4: The Lifetime Gift and Estate Tax Exemption, or the amount of money you may bequeath at your death or gift during your lifetime without incurring estate or gift taxes. **Barring Congressional action, the $13.61M lifetime gift and estate tax exemption will be reduced by 50% adjusted for inflation starting January 1st, 2026.** The potential consequences of this change are best illustrated with hypothetical examples, but hypothetical examples may be interpreted as tax advice. And you know what they say, “If it looks like tax advice and quacks like tax advice, it’s tax advice!"

But we think it’s really important!

So please take this as an invitation to have a conversation with our team. Effective estate planning requires the coordination of myriad professionals: financial advisors, CPAs, estate planning attorneys, etc. From technical tax and legal considerations to answering philosophical questions about the role money plays in your family’s life, this subject demands some major *Memento Vicesima Hereditatium* and *Memento Mori*.

Mike, Cate, Scott, Willis, Suzy, Oscar and Wes

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Sources:
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https://www.irs.gov/businesses/small-businesses-self-employed/estate-tax
https://www.irs.gov/newsroom/estate-and-gift-tax-faqs
Taxation in ancient Rome - Wikipedia
Memento mori - Wikipedia

Mike Burbank's Awards:
2017-2022 **Barron's Top 1,200 Financial Advisors: State-by-State** (formerly referred to as Barron's Top 1,000 Financial Advisors: State-by-State) Source: Barrons.com (Awarded 2017-2022). Data compiled by Barron's based on 12-month period concluding in Sept of the year prior to the issuance of the award.

2013-2020 **Financial Times 400 Top Financial Advisors**
Source: ft.com. Data compiled by the Financial Times based the following time periods:
Awarded 2013-2020; data 12/31/12 - 6/30/19

2019-2020 & 2022 **Forbes Best-In- State Wealth Advisors**
Source: Forbes.com (Awarded 2019-2020 & 2022). Data compiled by SHOOK Research LLC based 12-month time period concluding in June of year prior to the issuance of the award.
Awards Disclosures

Bonds rated below investment grade may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk and price volatility in the secondary market. Investors should be careful to consider these risks alongside their individual circumstances, objectives, and risk tolerance before investing in high-yield bonds. High yield bonds should comprise only a limited portion of a balanced portfolio.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally, the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which is the risk that the issuer will redeem the debt at its option, fully or partially, before the scheduled maturity date. The market value of debt instruments may fluctuate, and proceeds from sales prior to maturity may be more or less than the amount originally invested or the maturity value due to changes in market conditions or changes in the credit quality of the issuer.

Bonds are subject to the credit risk of the issuer. This is the risk that the issuer might be unable to make interest and/or principal payments on a timely basis. Bonds are also subject to reinvestment risk, which is the risk that principal and/or interest payments from a given investment may be reinvested at a lower interest rate.

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