

# BOVE & LANGA

LAW FIRM

Ten Tremont Street, Suite 600 | Boston, MA 02108  
www.bovelanga.com | p 617.720.6040 | f 617.720.1919

## **WELCOMING THE NEW ADDITION OR...*LIFE BEYOND JUST SETTING UP THE CRIB* OCTOBER 2021**

As some of you already know, Bove & Langa is welcoming our own new addition in November, with the impending birth of Attorney Molly Soiffer's first child, a girl. We have also recently welcomed our new Associate, Graham Rogers, but he is a little older than the type of new additions we are focusing on in this Report! As estate planners, we are very aware that getting ready for a new child encompasses far more than setting up the baby's room and buying a stroller. There are also a lot of legal and practical matters that should be addressed during this time period to ensure that not only your home, but also your planning, is ready for the newest arrival. We hope that this Report will help guide expecting parents, new parents, those who are already parenting experts with multiple children, grandparents, and anyone with children in their lives in additional preparations that should be undertaken at this time.

**PUTTING IT IN WRITING:** Often the birth of the first child (or second, or third) is what brings people to our office for first time estate planning. While we always feel that the time is right for establishing or updating an estate plan, we here at Bove & Langa agree that the birth of a child is one of those specific times to visit your friendly neighborhood estate planner. Once you have a child, your estate plan deals with not only your own life and wealth but also with how your child will be cared for in the event you are not able to do so yourself.

For families just starting out, our Firm has an estate plan that we refer to as our "ABC" plan (short for "A Baby Came"). The purpose of this plan is to set the new parents up with an estate plan that will provide for the care and support of the child if something happens to the parents while the child is a minor. While this plan does not have all of the bells and whistles of some of our more complex planning, it is a strong, cost-effective, foundation plan for a new family. Our ABC plan is designed to benefit the survivor of the parents first, and then, when the second parent dies, the plan provides for the funding of a trust for the benefit of the couple's child. In addition, the plan also provides for the appointment of a guardian and a conservator for the minor child in both the parents' Last Wills and in stand-alone nominations (for periods of incapacity of the parents). In short, this plan ensures that the parents have named people to care for their child, to manage money and pay for the for the child's needs while the child is a minor, and eventually distribute out the remaining assets as an inheritance to the child at an age the parents have decided is appropriate. Considerations related to these fiduciary roles follow in the next section.

Without putting such a plan in place, parents run the risk that someone other than their preferred choice ends up serving as guardian of the child and that the assets end up going outright to the child at the very young age of 18. This would be what we would call A Bad Conclusion!

**WHO IS GOING TO STAND IN YOUR SHOES IF THE WORST HAPPENS?** Choosing whom you want to provide the day-to-day care for your child, and manage money on behalf of your child if you cannot be there, is a big decision for parents. There are three main fiduciaries that will be important for your child when establishing your estate plan: the child's guardian, the child's conservator, and the trustee of the trust for the benefit of the child.

A *guardian* is the person appointed by the court to be the day-to-day caretaker of the child while the child is a minor. The guardian will be the person with whom the child lives, the one who will make medical and education decisions for the child, and generally stand in the shoes of the parent. We often refer to this as the “hugging” fiduciary.

A *conservator* is the person appointed by the court to manage the child's money and other assets while the child is a minor. This position is not always filled, since a well-drafted estate plan contains a trust in which the trustee will manage the assets being held for the benefit of the child.

The third fiduciary is the *trustee* of the trust for the benefit of the child. This person is the one who manages the assets in the trust on behalf of the child, uses the funds to pay the child's expenses, and generally acts in the child's best financial interest until the child reaches the age (or ages) set forth in the trust to receive the inheritance outright.

Parents often have problems deciding whom to name for each of the above jobs. It is important to remember that you do not need to name the same person for each position. You may know one person who is very loving and would be a fantastic guardian for the child but is just not great with money. It is our recommendation to choose that loving person as the future guardian. You can easily choose someone else who does have a good head for finances to fill the posts of conservator and trustee.

We often see clients having emotional dilemmas regarding choosing whom to name in these positions for fear of hurting a family member's feelings. The most important thing is to choose the individuals that you think will do the best job for your child, even if that person is not a family member. Finally, to the extent possible, we always recommend naming at least one successor for each role to ensure that if something happens to your first pick, there is a backup named in the estate plan.

A final step that parents can take is writing a “letter of wishes” to the guardian, conservator, and trustee to provide guidance on your hopes and goals for your child. This letter is where you, as parents, can explain your own values and priorities that you would like to see passed on to your child. For example, parents will often explain in the letter how important they think something such as travel is for the child's future development, or how they want to prioritize education for the child, or support a child's interest in the arts, or to raise the child supporting the Boston Bruins.

**KNOW YOUR RIGHTS!** When having a baby, it is important to know what rights you have with regards to parental leave. First, check with your human resources department (or employee

handbook) to determine what parental leave is offered by your employer. Second, know what your rights are to parental leave under the law.

A recent Massachusetts law, the Paid Family Medical Leave Act (PFMLA), gives new parents, including adopting parents, twelve weeks of paid leave within the first year of the birth or adoption of your child and requires your employer to hold your job for you while you are on parental leave. This provision of the PFMLA went into effect on January 1, 2021. If you qualify, and you apply for benefits, you could receive a weekly check from Massachusetts (amount to be determined) that will replace a portion of your income during any period of the twelve weeks that your employer does not pay your full salary. Most people employed in Massachusetts are covered by this law, but note that some employers are not required to participate in the PFMLA, and if your employer does not participate, you will not be eligible for benefits. Therefore, it is important to check in with your employer before applying. If you are interested in applying for benefits under the PFMLA, we urge you to go to <https://www.mass.gov/how-to/how-to-apply-for-paid-family-and-medical-leave-pfml> to learn more.

There is also a federal Family Medical Leave Act (FMLA), which requires that certain employers hold your job for twelve weeks while you are on leave, but does not offer paid benefits. The FMLA applies to all public and local agency employers as well as private employers who employ 50 or more employees in 20 or more workweeks in the current or previous year. It is important to note that there are limitations on the protections offered by the FMLA, so, if for example, your job is eliminated during your leave, for reasons other than the fact of you taking leave (such as if the company downsized), you may not have recourse against your employer. If you want to learn more about whether the FMLA applies to you, go to <https://www.dol.gov/agencies/whd/fmla/factsheets>.

**YES, VIRGINIA, THERE IS A BELLY BUTTON BANK:** Any expectant mother who plans to enjoy the birth experience in a hospital setting has heard from the hospital about umbilical cord blood donation. The hospital has probably handed the prospective parent a pamphlet explaining the concept, and information abounds about the use of such donations to treat various medical conditions. The American College of Obstetricians and Gynecologists' Committee on Genetics supports such donations, but warns parents that the cord blood is often ineffective in treating medical issues of the baby who once was attached to the cord. If the mother decides in favor of donation, the decision becomes one of donating to a private bank (with its use available to persons designated by the mother, typically family members) or to a public bank (with its use available to the general public). The ACOG recommends public banks, but the choice is yours.

**CREATING A UNIFIED HOUSEHOLD – BRINGING A BABY INTO A HOME WITH PETS:** Those of us who have “fur babies” love them and often have legitimate concerns about bringing a newborn into a home that already has a beloved pet. Luckily, there are things that you can do to make the introduction between pet and baby go as smoothly as possible. They are as follows:

- Before the baby is born, have a pet trainer who has acclimated pets to newborns meet with you and your pet and engage in training sessions.

BOVESLANGA

- If you have sound-producing baby toys in the house, play them for your pets so they are not spooked by the noise when the baby finally plays with them.
- Believe it or not, there are “YouTube” videos of babies crying (at least one of them is more than an hour long). Play the videos for your pet, so that your pet gets used to the noise. (Note that this does not work for parents or older siblings, and will likely just annoy them!)
- If possible, once the baby is born, before coming home from the hospital, have someone bring an item home that has the baby’s scent on it. This allows your pet to get used to the scent before the baby arrives.
- Invest in some interactive animal toys before the baby comes home, so that your pet can remained engaged in play while you are caring for the baby.
- Of course, don’t leave your child alone with your pet until the child of an appropriate age and has established a relationship with your pet.

You can be sure that the household dynamic will change once the baby comes home. More attention will go to the newborn and less will be showered on your pet. This is normal! It’s still important to make time for your pet and with some luck your beastly will become your baby’s bestie!

**THE TAX BENEFITS OF REPRODUCING:** While a new addition to the family certainly brings increased expenses, your bundle of joy could also bring you a bundle of savings during income tax season. In 2021, the Child Tax Credit was expanded to provide up to \$3,600 per child under 6 years old and up to \$3,000 per child between 6 and 17, with the credit amount decreasing for higher incomes. The credit amount is scheduled to be lowered in future years, but (as we all know) tax laws are always evolving. (Just look the current proposal to cap childcare costs!)

Speaking of increased expenses, bringing a baby into the world is an expensive endeavor, and a portion of those costs could be deductible on your income taxes. Even if you don’t already itemize your deductions, look out for increased health care expenses pushing you past the threshold where your itemized deductions are greater than the standard deduction.

For those that have grown their family through adoption, there is also an adoption credit that can provide up to \$14,300 per adoption. While adoption is a pricey undertaking and this credit certainly won’t cover the full cost of the adoption process, it can cover some amount of your adoption fees, court and attorney fees, and travel expenses, with the credit amount decreasing for higher incomes.

On top of the expense of giving birth or adopting, you may also be facing new childcare costs such as daycare expenses. These, too, may generate a tax break through the Child and Dependent

Care Tax Credit, which can provide a credit equal to a portion of the first several thousand dollars you spend per year on such childcare, depending on your gross income.

Starting or growing your family is undoubtedly expensive, but remember to look out for all of these ways, and potentially more, that your baby can earn you a break on your income taxes. Make sure to speak with your accountant or whoever prepares your income tax return to see if you can take advantage of these credits and deductions.

**INSURING AGAINST MISFORTUNE:** Bringing a little one into the family, especially your first, is a good time to apply for or revisit your life insurance coverage. Your family's wellbeing in case of tragedy will likely depend on access to financial resources for continued support. What amount would your baby and your family need to sustain them if something were to happen to you, and does your current coverage provide that amount? Perhaps the best time to look into whether more insurance is right for you is today, as the younger and healthier you are when you get insurance, the lower your insurance premiums will be.

New parents, in addition to insuring themselves, may also want to consider insuring their child, believe it or not. Since life insurance is generally less expensive the younger the insured, coverage for a child may be quite affordable. In the unthinkable event of the loss of a child, such insurance could provide the financial security needed to take extended time away from work to grieve.

Insuring your young child can also be a way to maintain their future insurability, should they develop a health condition, take up a risky hobby, or have a dangerous occupation later in life that makes obtaining new life insurance coverage prohibitively expensive. There are policy riders available that provide an option for the child to increase their coverage later in life at rates determined by their health when the policy was purchased. This can serve as a mechanism to protect your child's ability to insure themselves for the benefit of their future family.

Additionally, policies for children can be used to build cash value over time, which can then be accessible by the child at a later date. The use of insurance as a savings or investment mechanism in this manner can be complicated, so be sure to consult your insurance agent or broker if you want to learn more about this kind of insurance strategy.

**THE GOOD KIND OF DRIP:** That drip you hear with this plan is not one for the plumber, rather it is the sound of your child's investment growing. The DRIP (dividend reinvestment plan) is a very popular, inexpensive, and effective method of building an investment account for a minor over a period of years, especially for families on a budget. The DRIP account is a supercharged UTMA (Uniform Transfers to Minors Act) account that builds the investment two ways - first, by the parents' (or others') contribution to the account, and second, by the automatic reinvestment of all dividends paid on the shares of stock in the plan account, so long as the shares are left in the plan. (UTMA accounts have been previously discussed in detail in the August 2016 Bove & Langa Report, which is available on our website.) If you wish to invest in more than one company, you'll have to open a separate plan for each company, but it is really simple.

In the typical plan, the parent or other donor will purchase a share of stock in such a company and ask the broker to register and deliver the share to the donor's address. Like the UTMA, the DRIP stock is commonly registered in the name of a custodian for the minor, under the minor's social security number; thus, the same tax rates and UTMA title rules apply to DRIP shares until the "minor" takes the title. Once the shares are delivered to the custodian on behalf of the minor, the custodian must sign a form to register the shares in the company's DRIP plan, and from there it's pretty easy going. The typical DRIP plan will accept any single investment of \$25 or more (with a limit you're unlikely to use), and importantly, there is no commitment to make a certain number of payments or to contribute a certain amount. It is completely at the discretion of the donor.

The thing is, parents who get into the habit of sending in \$25 or \$50 per month for their child's DRIP plan "suddenly" find there is a few thousand dollars in the child's account. The further advantage is that all dividends on the DRIP shares are automatically reinvested in shares of the company. This is called "dollar-cost averaging", and is recognized as one of the wisest ways to invest in a company that grows over a long period of time. Thus, companies like Disney, Proctor & Gamble, Coca-Cola, and Johnson & Johnson all have very popular DRIP plans, which have performed well over many decades. Further, most such companies charge no fee or a miniscule fee for adding shares to the account.

Withdrawals from the plan are almost as easy as investing in it. Typically, the custodian will simply call the DRIP plan's administer and ask for a specific amount of money or that a specific number of shares be sold. Generally, a check will be received in a week or so.

**NANNAS, GRANNIES, OMAS, AND ABUELAS UNITE!** Few things in life are pure pleasure, but becoming a grandparent is one of them. There are many things to think about other than what the new family member will call you (I'm a stickler for the traditional *Grandma* – if it was good enough for Grandma Moses it is good enough for me! Although *Pickles* was a close second...). Throughout this Report and in past Reports (December 2020 and August 2016, both on our website) we discuss commonsense financial and legal action the baby's family might undertake. But, come on! The whole point of being a grandparent is having fun. So go ahead and start that DRIP account, but also consider:

- Create your own baby board book. Collect baby and adult pictures of family members and use the services of a company such as Artifact Uprising or Shutterfly to create a toddler board book with the baby picture on the left and the adult picture on the right. Or how about a board book with pictures of family pets down the generations. Or perhaps you have some artistic talent that can add creative punch to the book.
- Create your own music compilation. Every family seems to have certain songs that are meaningful to them. Camp songs, patriotic songs, holiday jingles, show tunes, and the like. Collect your favorites onto a playlist or customized CD that you can sing and dance along to with your grandchild. Again, there are many vendors you can find on the web to help you get going. If you run into a roadblock, camp songs are not readily available, record yourself

BOVESLANGA

---



singing the song or hire a trained singer to sing the song for you. Here in Boston we are lucky to have a vibrant college scene with lots of talented student artists who might love the gig.

- Create a family history scrapbook. Shuffle through your memory boxes, jewelry chests, photo albums, collectibles, and what have you and find items to share with your grandchild. Take a picture of those earrings from great-great Aunt Mabel and paste it into the scrapbook with a paragraph as to who she was and how you got her earrings. Or maybe it is a picture of your ticket to one of the 2004 World Series Games at Fenway Park. (It never gets old, does it?) Or of the chair Grandpa falls asleep in every night. Or your first car. Your grandchild will love this book, and unless you do it as a board book, rough and tumble grandchild use will probably destroy it, so taking pictures of items is best, as the pictures are easily replaceable.
- On a more serious note, many a grandparent has saved favorite items from their own child's infancy, which they now hope to enjoy with the newest generation. Please be aware that many of those products, including toys and furniture, are no longer considered safe. Before polishing up that old crib, please consult the Consumer Product Safety Commission ([www.cpsc.gov](http://www.cpsc.gov)) for up-to-date information on recalls and infant safety.

**FINALLY...A FEW SUGGESTIONS FOR BEDTIME READING!** As you may have noticed from some of our prior Reports, we are big readers at Bove & Langa. This list is a compilation of each person's favorite children's book, from either their own childhood or to currently give as a gift. We hope to provide you with a few new titles to add to the nurse's bookshelf since we believe that there is no such thing as too many books.

A Sick Day for Amos McGee by Phillip C. Stead with illustrations by Erin E. Stead (Recommended by Karen). A Sick Day for Amos McGee has become my go-to children's book to gift. The story is both funny and warm while the illustrations are fantastic – who can resist a story that includes a bus trip by zoo animals to see their beloved keeper when he is home sick. Also, no matter what a recent young recipient of this book thinks .... the elephant can fit on the bus just fine and why is such a thing being questioned by a three-year-old?! What happened to childhood belief in the impossible?!

The Adventures of Pinocchio by C. Collodi (Recommended by Alexander). This is one of my most memorable children's books, not only for the wonderful and lasting mental images it generated of Pinocchio struggling through his various adventures in an effort to become a real child, but more so for the important lessons it sought to teach children, showing how easy it is for an innocent child to get into trouble. Fortunately, as with most Disney portrayals, the more popular version of the story has a happy ending for all, even for Jiminy Cricket.

When We Were Very Young by A. A. Milne (Recommended by Melissa). My mother's unique voice brought these delightful poems to life as my toddler self curled up in her lap, listening to the words and looking at those wonderful pencil drawings. To this day I can recite *Disobedience* (is that where my son's name subconsciously came from??) and *Halfway Down*, a poem that spoke to the middle child I was. Are these poems a tad archaic? Perhaps. But I loved them as a

BOVE&LANGA

---

child, and still do. When my grandchildren visit we read a poem to commence dinner time, and another generation gets hooked on these simple rhymes.

Love You Forever by Robert Munsch and illustrated by Sheila McGraw (Recommended by Molly). My parents used to read me this sweet story when I was young, and I will read it to my daughter. (Warning: if you did not read this book as a child, you may cry the first time you read it!) The book centers around a mother and son during different stages of the son's life. The mother sings him a lullaby about how much she loves him, even when he is being difficult and rebellious. As the mother grows frail and becomes unable to sing her son the lullaby, her adult son sings it to her. After the death of the mother, the son sings the song to his daughter. At the heart of this book is the love between a parent and child, and it is so sweet, that it was the first book on my list when I was outfitting my daughter's bookshelf (I actually took a copy from my parents' house!).

The Fire Cat written and illustrated by Esther Averill (Recommended by Graham). Speaking of Pickles... The Fire Cat is an early reader book that my grandmother and parents would read to me when I was young, and to this day the quirky illustrations stand out in my mind. Pickles the Fire Cat has much to learn about life in a fire house and has to navigate the truck, the hose, and all manner of equipment not designed for a cat. It is a lighthearted story of being brave and facing new challenges, made that much better by cats and firetrucks.

## IN CONCLUSION

A new addition to the family is always a time for both celebration and making ready. We hope that this Report will provide you with some tips for the more practical side of preparing for the baby's arrival so you can then concentrate on the celebration aspect, knowing that your child will be cared for no matter what the future holds. From our growing family here at Bove & Langa to you, we wish you a wonderful autumn.

This Report has been specially prepared by all of us at Bove & Langa. If you wish to be removed from the mailing list, please email [admin@bovelanga.com](mailto:admin@bovelanga.com) or call our office at 617-720-6040 and let us know.

© 2021 Bove & Langa, P.C. All rights reserved. Permission to copy is granted provided that full attribution is given to Bove & Langa, P.C.