

# THE MEDIATOR

Mediation and Collaboration Offices of Michael Becker, Esq.  
*Experience Matters*

*Winter 2007 Edition*

## This Month in...

In January 1915, the United States House of Representatives rejected a proposal to give women the right to vote.

## Quote Me on It

"The optimist proclaims that we live in the best of all possible worlds; and the pessimist fears this is true."

*James Branch Cabell*

## Useless Information

In 1979 Namco released Pac-Man, which became the most popular arcade game at the time. Originally named "Puck Man," the game was renamed after Namco figured out the potential for vandals to scratch out part of the letter "P" on the game's marquee — which might have discouraged parents from allowing their children to play.

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## New Mediation Field

### Family Disputes over Wealth

A huge inter-generational wealth transfer is underway, as older baby boomers begin to dole out their accumulated wealth to their heirs. So what to do when families fight over substantial inherited wealth?

*The Wall Street Journal* recently reported that an increasing number of financial services firms now offer mediation services to resolve these family financial problems.

The goal of this type of mediation is twofold. The first aim is to help families better communicate about their finances in advance — to

preempt future problems before they occur. And the second objective is to **mediate family disputes before they become expensive — and public — court battles.**

A few recent and very public battles over inherited wealth have prompted more families to use this type of mediation.

Professionals who mediate family disputes about money report that their practices are at their busiest levels ever.

Wachovia, Merrill Lynch and Charles Schwab are among the firms offering this mediation.

## Recent Legislation:

### Relocation Rules Clarified

The Connecticut Legislature has passed a new law intended to clarify when custodial parents can relocate with minor children.

Public Act 06-168 makes it clear that it is **the relocating parent who bears the burden** of first proving that (1) the relocation is for a legitimate purpose, (2) the proposed relocation is reasonable in light of such purpose, and (3) the relocation is in the best interest of the child.

If this is proven, courts must then consider at least five additional factors laid out in the law in deciding whether to approve the relocation itself.

Post-divorce relocation cases are some of the most difficult cases to resolve. Previously, this matter had been governed primarily by caselaw. The statute is intended to provide greater guidance to courts in resolving these tough cases.

## Money Stuff: College Savings Easier

Section 529 plans are an excellent way for many people to save for college. In a nutshell, these plans permit people to make contributions to an account which, like some IRAs, grows tax-free. Most 529 plans do not offer a tax deduction for contributions.

However, Connecticut now offers a reason for its residents to select the state-sponsored 529 plan, the Connecticut Higher Education Trust, known as CHET. **Residents can now deduct on their state income tax returns up to \$5,000 per year in CHET contributions** for individual returns (\$10,000 for joint returns). So not only will this money grow tax-free, but taxpayers can get a deduction when they first contribute.

There are no income limitations, so even high earners can benefit from this deduction.

Anyone can contribute to any 529 plan, not just their state-sponsored plan. An excellent resource for learning about, evaluating, and comparing 529 plans is [savingforcollege.com](http://savingforcollege.com).

## Tools & Tips

The best book I have ever found describing divorce mediation is *Using Divorce Mediation* by Katherine Stoner. Though the title isn't sexy, the book contains **great information for clients considering using — as well as those already using — divorce mediation**. I keep multiple copies in my client library, and they circulate regularly.



I especially like the chapter outlining when and how to use outside advisors in mediation, such as lawyers, financial advisors and counselors. There is an especially useful discussion which helps clients to identify which type of outside professional they may need. Also covered is how clients can define with such professional what they wish done — and equally important not done — on their behalf.

It's published by Nolo Press, which specializes in demystifying legal processes for laypeople.

**Michael Becker, Esq.** is an attorney and accountant practicing mediation and collaboration full-time in Westport, CT. One of the most experienced mediators in our area, he is a founding Director and two-time President of the CT Council for Divorce Mediation. Michael is an ACR Advanced Practitioner Member, as well as a Master's Degree candidate in Fairfield University's Marriage and Family Therapy Program.

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