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Estate Planning Traps And How To Avoid Them

Top 10 Estate Planning Traps And How To Avoid Them


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- ✓ With Apologies To David Letterman



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No. 10: Failing to Consider All Assets

- ✓ Some Assets Pass Outside Of Estate
 - Life Insurance
 - Retirement Accounts & IRAs
 - Joint Bank Accounts
 - Joint Brokerage Accounts
 - Jointly Owned Property
 - Land
 - Stock


Need to Check Beneficiaries and Retitle Accounts



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No. 9 "I Don't Need a New Will. I Did One 10 Years Ago."


- ✓ Big Changes In The Law In 2012 (2013)
\$5.0 Million UCE (Indexed For Inflation)
Income Tax Rates Have Increased
- ✓ Value Of Land Has Increased Drastically



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No. 8: Failing to Consider Income Taxes

- ✓ Who Will Pay Income Taxes If I Make Gifts?
 - Recipient's Tax Bracket
 - Source of Funds to Pay Income Taxes
 - Amount of Capital Gain if Asset is Sold



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No. 7: Giving Away Everything (And Too Soon)

- ✓ Most People Worry About Having Enough Assets To Survive
- ✓ Personal Use Of Assets Of After Gift Creates Potential Tax Problems
 - Recreational Use Property



No. 6: Failing to Consider Generation Skipping Tax

- ✓ May Cause Payment Of Two Estate Taxes
- ✓ Can “Have Your Cake And Eat It Too”
 - Income to Children
 - Corpus to Grandchildren



No. 5: Ignoring Special Circumstances

- ✓ One Size Doesn't Fit All
- ✓ Not Required To Treat All Children Equally
- ✓ Consider Each Child's Assets And Abilities



No. 4: Leaving Everything In Undivided Interests To Children

- ✓ May Create Unintended Consequences
- ✓ Consider Who Can And Will Use Assets After Death
- ✓ Designate Specific Land Or Entities To Specific Children Or Grandchildren



No. 3: Leaving Everything To Your Spouse

- ✓ No Longer Deadly, But Potentially Fatal
- ✓ What If Spouse Remarries?
- ✓ Trusts Can Provide Protection For Everyone



No. 2: PROCRASTINATION

- ✓ Determine If Estate Is Taxable
- ✓ Set Up And Implement Gifting Program
- ✓ Consider Funding of Estate Taxes
- ✓ Start Early – Don't Wait Until Your Deathbed



**No. 1:
DO NOTHING**

- ✓ Die Without A Will
- ✓ Let State Law Determine Who Gets What
- ✓ See Your Attorney And Accountant
- ✓ Seek Out Specialists If Needed



Questions

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