



Estate Planning Uncertainty – Do the Basics

How do affluent individuals and families address their estate planning concerns when estate taxes are a moving target, and nobody is sure what they will look like? We had them in 2009; they were gone in 2010; and now we may have these taxes back in 2011. So how do we advise our clients? How can we offer real value when most clients remain frozen as they wait for the estate-tax laws to be clarified? I have highlighted several key issues that can be addressed today for clients searching for practical advice on preparing for any upcoming changes in the future estate planning environment.

Beneficiary Verifications *In far too many instances, when reviewing client planning documents, we find named beneficiary designations that are inconsistent with client needs. Having properly named beneficiaries (contingent beneficiaries) on IRA, Roth's, 401(k) and 403(b) plans is essential in preparing for a smooth estate transfer.*

Asset Titling *Because of the huge fluctuation in asset prices over the last few years; clients should revisit how they 'own' their assets; and how these are best divided between spouses. In most cases we find clients have done the necessary legal paperwork to divide the estate (through an attorney) but, have failed to actually re-title their assets to facilitate their overall plan. Dramatic value changes in real estate and investment portfolios can have a significant effect on the optimal implementation of family estate plans.*

Health-Related Needs *A huge concern. Because we are living longer more and more of our clients will be faced with having to enter an 'elder care/assisted living' facility. Dealing with declining health or other related issues requires some practical solutions that too many people are simply ignoring. Properly completed living trust, powers of attorney, advanced medical directives and health care proxies are key planning essentials.*

Insurance Review *All too often we will hear clients say that they, years and years ago, purchased life insurance as their customized solution to solve their estate tax problem. Certainly life insurance can be an effective planning tool for affluent clients - if it is done properly. Let's pull out your insurance contract(s) and audit them. We can determine if the basic contract components are properly aligned. Is your estate the beneficiary? Is it your trust? Or your children? Who actually owns the contract? Often times we discover that the life insurance proceeds will, unnecessarily, be included in clients' estate because an error was made in one of these important designations.*

As Congress is putting their finishing touches on the 2010-2011 legislation regarding estate taxes; it still remains critical that clients address those common planning issues that can dramatically impact them and their families. Call your wealth advisor today to have a quick review done on the above few important issues to ensure that your own personal/family succession plan is effective for 2011.