

VOLUME 8 ISSUE 5

# ESTATE PLANNING & ASSET PROTECTION



MAY 2017 COLLEGE PLANNING EDITION:

## LIFESAVING DOCUMENTS FOR EMERGENCY SITUATIONS

Without a Designation of Health Care Surrogate and Durable Power of Attorney, you will have no ability to protect your college student while they are away at school.

## MAXIMIZING FINANCIAL AID THROUGH THE USE OF AN IRREVOCABLE TRUST

Keeping assets out of your child's name will reduce the Expected Family Contribution and increase scholarships and grants

## RETAINING DOMICILE IN FLORIDA WHILE LIVING TEMPORARILY IN ANOTHER STATE

There is no "6 month and a day" rule



# WFP

WEALTH FAMILY PROTECTION  
*Attorneys at Law*

**WHEN LEGACY MATTERS**

At Wild Felice & Partners, we implement estate planning and wealth transfer techniques such as the use of Florida Revocable Trusts and Irrevocable Trusts, Family Limited Partnerships, Limited Liability Companies and other advanced estate planning tools to help our clients avoid probate and limit or eliminate estate tax burdens on family members. We realize that each client is unique and every plan is tailored accordingly to every individual need. Our firm aims to shed the tax attorney paradigm and focus instead on the dynamic relationships between our clients and their loved ones. WFP Law realizes that estate planning is truly for the loved ones that we leave behind

**It's a Wild world. Are you protected?**



*Protecting What You Value Most Through  
Estate Planning and Asset Protection*

## PROVIDING SOLUTIONS THAT SECURE AND ENHANCE YOUR WEALTH AND YOUR LEGACY

Everyone understands the benefits of having insurance to protect your assets from unanticipated events. Hazard and casualty insurance is necessary to provide protection from the risks of fire, floods, and wind damage. Liability insurance is necessary to provide protection from the risks of auto accidents and personal injury. But what can you do to protect your assets from claims in excess of your insurance or from risks of lawsuits or from unexpected business liabilities or from an overabundance of tax consequences? Fortunately having an asset protection plan in place can help insulate you from these potentially significant risks.

We believe in providing you with effective solutions so that you can have confidence that your assets and your legacy are protected. An effective asset protection plan needs to be in place before a lawsuit or claim is made against you, and well in advance of your retirement or death, so it is important to take the step toward greater protection today.

WFP Law is a full-service, Fort Lauderdale, Florida based law firm with a specialty in asset protection. We utilize a combination of estate planning, real estate law, corporate formation, family law, and asset structuring to assure that our clients are protected from potential litigation, creditors, and any other threats that may be looming. A properly designed asset protection plan can accomplish many of your most important objectives:

- Protection of family savings and investments from lawsuits and claims.
- Protection against inadequate or unavailable insurance coverage.
- Insulation of rental properties reducing your exposure to potential lawsuits.
- Protection of business assets and accounts receivable from potential claims.
- Elimination of probate.
- Reduction of estate taxes.

### **It's a Wild world. Are you protected?**



## THE LEGAL DOCUMENTS THAT WILL SAVE YOU IN EMERGENCY SITUATIONS

### **COLLEGE BOUND KIDS- EXPECT THE UNEXPECTED!**

So your child has officially become an adult and ready to embark on a new journey- college! Congratulations! This is a huge milestone in your teenager's life as well as a time of pride and concern for you as a loving parent. Your child is about to spread his or her wings leaving the family nest of security and safety.

What you need are eyes of a hawk in establishing a solid plan that will safeguard your teenager against any unexpected event that could place them in medical or financial peril.

There are legal documents that should be prepared by a professional South Florida estate planning attorney who is familiar with the goals you wish to accomplish for your family. Your legal eagle understands the importance of a healthcare surrogate, durable power of attorney, and a living will.

The designation of a health care surrogate authorizes you to get information from a hospital or a doctor about your child. You will not be able to obtain this information once your child is 18 years old unless you have a document permitting you to do so. In addition, your child may be unconscious and unable to give permission. Florida's HIPPA laws prevent the dissemination of medical information to others unless there are

*Every American should have an estate plan in place but the need for comprehensive estate planning is even greater when you have children.*

written directives authorizing the permission.

A durable power of attorney is an agreement that allows you to control your child's financial needs. It can be drafted to allow you to access your child's bank account in case you need to pay his or her bills, restrict spending, or replenish the account.

A living will is a document that a person uses to make known her desires regarding life-sustaining treatments. Although not the most palatable of topics, it will give you peace of mind with medical decisions you may have to make for your child in the event of an untimely illness or accident.

# MAXIMIZE FINANCIAL AID THROUGH THE USE OF AN IRREVOCABLE TRUST

A strategic estate planning tool that you may want to consider is creating an irrevocable trust for child's college fund. Funds transferred to an irrevocable trust remain subject to trust terms and conditions until the established time for distribution. A trust can protect your child's college fund from creditor's demands. Also, an irrevocable trust has its own tax ID number and is not considered an asset when calculating your taxes thus providing certain tax benefits. Trust property is excluded from the trustor's gross estate for federal tax purposes.

Additionally, a trust does not go through probate. Therefore, if a child needs money for school, she can access the funds immediately in the event of your death without being subjected to a lengthy and costly court process. Furthermore, a trust can be set up with restrictions regarding how and when your money will be distributed to your child.

How your trust is drafted and reported on FAFSA dictates the eligibility of your child for need-based financial aid. A common error is reporting the full value of the trust fund when there are proportional shares of ownership in the trust. Also, a typical mistake families make is reporting trust fund amounts incorrectly when ownership of the income and principal from the trust fund are split.

You should consult with your qualified and experienced South Florida estate planning attorney to review the terms of your existing trust to advise you as to what your options are under your trust or draft one for you to meet your objectives concerning your child's educational needs and goals.



## RETAINING DOMICILE IN FLORIDA WHILE LIVING TEMPORARILY IN ANOTHER STATE

**ZERO STATE INCOME TAX AND NO STATE ESTATE TAX MAKES FLORIDA THE IDEAL STATE TO LIVE IN. NO WONDER THE SNOWBIRDS FLOCK TO OUR SUNSHINE STATE- JUST LOOK AT FLORIDA'S HOMESTEAD EXEMPTION!**

There is a difference between "residence" and "domicile." A person can only have one domicile, but more than one residence in different states. So what is domicile? It is defined as actual residence within a particular state with the intention of making that state one's permanent home. Its really comes down to a factual finding of the intent of a person to make a particular state his or her domicile.

Pursuant to Florida Statute §222.17, a person can show intent to maintain a Florida residence as a permanent home by filing a sworn Declaration of Domicile with the clerk of the circuit court. Florida Statutes also provide some factors that manifest intent to retain Florida as a primary residence.

Ways to retain or establish domicile in Florida and take advantage of all its benefits is to purchase real estate in the Sunshine State. One should register to vote in Florida and vote at the next possible election. One should keep his or her Florida driver's license and plates. Having your will/trust drafted to comply with Florida law stating your domicile in Florida also evinces intent. It's important to spend a significantly greater portion of each year in Florida by being physically present in the state.

Finally, one should also consider establishing certain relationships with the state of Florida. Banking, religious, social, professional and medical relationships are more than a few examples. Also, keep your personal mailing address as a Florida address.

Calling Florida your "home sweet home" allows you to take advantage of the state's asset protection laws.

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## DID YOU KNOW?

*The FTC issued a financial aid 'scam' warning to parents of college-bound teenagers. Here is some advice on how not to fall prey to phony, unsolicited offers for nonexistent scholarships.*

*Check out [www.fastweb.com](http://www.fastweb.com). It's a free and reputable online scholarship search engine to find legitimate scholarship opportunities. You can also try other credible websites or flip through a scholarship book that is less than one year old.*

*Also, you can check with your, your spouse's and even your parents' employers. Many have scholarship opportunities that nobody else is aware of.*

*Finally, plan ahead! The best plan for paying for college is to avoid having to scramble for private money in the first place. If you begin college funding planning when your student is in the 10<sup>th</sup> and 11<sup>th</sup> grade, the same time they begin their admissions preparation, you will integrate their plans with your financial needs.*







## A LITTLE FABLE AT THE COUNCIL TABLE



### IN THE NEXT ISSUE:

#### DIGITAL ASSET PLANNING EDITION

##### THE DIGITAL ASSETS TO INCLUDE IN YOUR ESTATE PLAN

Start your digital asset inventory with these helpful prompts, and identify what digital assets you will want to include in your estate plan.

##### THE SOCIAL NETWORKER'S ASSET PROTECTION GUIDE

Don't leave the fate of your social networking sites to chance. Read about the important considerations when destroying or preserving your digital presence.

##### THE BENEFITS OF PRESERVING YOUR DIGITAL LEGACY

Failure to properly incorporate your digital universe into your estate plan can lead to a loss in your estate, exposure of private material, and much more.

#### THE MISER AND HIS GOLD

Once upon a time there was a Miser who used to hide his gold at the foot of a tree in his garden; but every week he used to go and dig it up and gloat over his gains.

A robber, who had noticed this, went and dug up the gold and decamped with it. When the Miser next came to gloat over his treasures, he found nothing but the empty hole. He tore his hair, and raised such an outcry that all the neighbors came around him, and he told them how he used to come and visit his gold.

"Did you ever take any of it out?" asked one of them. "Nay," said he, "I only came to look at it." "Then come again and look at the hole," said a neighbor; "it will do you just as much good."

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Michael D. Wild is a Florida attorney specializing in the areas of estate planning and asset protection. For more information on successful Florida estate planning and asset protection techniques, please contact the South Florida law firm of WFP Law at 954-944-2855 or via email at [info@wfplaw.com](mailto:info@wfplaw.com) to schedule your free consultation. **It's a Wild world. Are you protected?**

