

VOLUME 4 ISSUE 8

ESTATE PLANNING & ASSET PROTECTION



AUGUST 2013 DIGITAL ASSET PLANNING EDITION

STUDENT TAX HOLIDAY

Take advantage of South Florida's tax holiday, & turn it into the gift that just keeps on giving with a 529 Plan.

ESTATE PLANNING FOR THE COLLEGE STUDENT

Estate planning isn't just for the old & wise. Reasons why young adults should plan for their futures as soon as they start molding them!

A NEW SCHOOL YEAR; AN OLD ESTATE PLAN?

A lot can happen in a year: children get older, family relationships change, or the size of your estate increases. Explore your current status, and determine if you are properly prepared for tomorrow.



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?



Student Tax Holidays & Savings

August has arrived! The time to mark your calendars for your “back to school sales tax holidays!” This sales tax holiday has provided a couple days for shoppers to ravish the malls and department stores for clothing and school supplies. Here, in South Florida, your tax breaks will cover the standard clothing and school supplies, as well as computers and tablets (priced up to \$750).

Florida state Rep., Larry Ahern, stated “[w]e are trying to take some of the burden off Florida families as they prepare for their children going back to school in August.” Speaking of burden’s - if you are participating in back-to-school tax savings, your child’s college years are probably just around the corner! While you can shop ‘til you drop every year, there are other tax-planning techniques that can be used to save for your child’s college expenses, while avoiding those pesky taxes.

The **529 Plan** is a tax shelter for college savings. It allows you (or really, anyone) to contribute to an account to save for a designated person’s college education (it can be anyone, including yourself), and is not subject to federal taxation. The money in the plan can be used for any qualified expenses associated with college, including room & board, books, fees, computer, internet, etc. There is no age limit for

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

when the plan can be used, and it can roll over to another family member (if little Jimmy Jr. decides not to go to college, sister Sally can use it). You can maintain control, and appoint a guardian/trustee to manage it upon death. So not only do you avoid tax on withdrawals, but any capital gains are tax-free as well. There is no federal income tax on money in the 529-college savings plan (plus, no income tax in Florida). *NOTE:* you have to keep in mind that any amount that you put in the 529-plan can be considered a “gift” for transfer tax purposes. However, the “annual exclusion” for the year 2013 (this amount changes every year), allows anyone to can make up to \$14,000 in gifts that are excluded from transfer taxes (which are collected upon death, and subject to an exemption that is currently in the amount of \$5,250,000).

So while you are stretching your legs for the mall-marathon that will be taking place each August, take a moment to consider the significant tax-free benefits of planning ahead for your child’s college education!

Estate Planning For The College Student

Estate planning isn't just for the "old & wise." In fact, the "young and foolish" can start their ascent into wisdom by taking a look into the future, and being prepared for what is looking back! Clearly, the last thing on a young adult's mind is designating a personal representative, and deciding whom to give their borderline non-existent fortune to. However, at such a young age, the goals of estate planning are not ripe, they are just different. For example, Junior should be less concerned with who will be inheriting his baseball card collection and Xbox, and more concerned with how his digital assets will be treated (preserved, closed, etc.), or who will be his power of attorney and/or Healthcare Surrogate. Standard college student estate planning goals can be achieved with the following documents.

Durable Power of Attorney (DPA): this document is going to designate someone to take care of "business" in the event of incapacitation or death. Any financial decision or situation where the college student's authority is necessary will require a power of attorney to step in their shoes. Furthermore, it can be useful for convenience alone. Let's just say the college student is studying abroad, and wants her parents to take care of her affair while she is gone. When Junior reaches the age of a legal "adult," he has to authorize his parents to make decisions for him.

Combination Living Will & Designation of Healthcare Surrogate: this is a very important issues for young adults, as many are surprised to hear that their parents may not be able to make health care decisions for them or access their health records. Therefore, the college student will want a living will & designation of healthcare surrogate in place, as well as HIPPA authorization, to ensure that a trusted person or parent(s) can make medical decisions on their behalf.

Digital Assets Will: Today's college student will have a lot of digital assets (social media accounts, banking accounts, school accounts, etc.). Therefore, it is often helpful to have a will in place that directs the proper administration of such accounts and assets. For monetary accounts, you may want to leave specific instructions, including the account information, and how you want the account to be closed or maintained. For sentimental accounts (social networking, photos, blogs, etc.), your main concern will be minimizing the hassle associated with loved one's accessing your accounts, or having them closed in a manner that will preserve your privacy. Furthermore, the college student may want to consider a basic **pour-over will** and **living trust** to avoid the hassle and time associated with probate.

A lesson to those who are proceeding down the path of collegiate wisdom – plan ahead!



A New School Year; An Old Estate Plan?

For parents and students, the commencement of a new school year is much like what January 1st is to everyone else: Looking back on the recent life events and choices, while looking forward to the lofty ideals of what lays ahead – a fresh start to the "new" year. In the inception of the new school year, it is time to consider whether you are sporting an old, and less effective, estate plan. Explore your current status, and determine if you are properly prepared for tomorrow.

A lot can happen in a year: children get older, family relationships change, or the size of your estate increases. Let us take a look at possible life events that can warrant a revised estate plan:

Marriage & Divorce: If you have recently married or divorced, it is important to go back through your current estate plan to see whether these life events are addressed in your will or trust documents. First and foremost, marriage does not revoke a will. Divorce, however, may have an effect on the validity of the will. When you fail to amend your will following a divorce, and unless there is a provision within it that states otherwise, the will is treated as if the former spouse died upon divorce (wishful thinking, right?). As an alternative, the divorce or dissolution of marriage judgment can contain such language stating that the provisions in the will regarding the former spouse are valid, notwithstanding the divorce. Therefore, if you no longer want your former spouse to be the beneficiary of any portion of your estate, you need to check the language of your current will. If you get married following the execution of an estate plan, your spouse is entitled to an intestate share (in Florida, this is "per stirpes") of your estate by statute, unless the new spouse waives the right, or the document itself provides otherwise (intent not to provide for new spouse, or provision providing for spouse in contemplation of marriage). Also, you may have had your former spouse designated as a Power of Attorney, or health-care surrogate. Thus, it is very important to ensure that your estate plan is consistent with your wishes following a divorce or marriage.

Children: if you have a new child following the creation of your estate plan, it is important to ensure that your new bundle of joy is provided for. You may want to set up a trust, a 529-college plan (see "*Student Tax Holidays & Savings*," above), alter beneficiary designations in your will, and nominate a legal guardian.

Estate Size Increase: You want to make certain that your estate plans are tailored to your estate size. Therefore, when your estate increases, you may want to make some changes in terms of tax and estate planning. Furthermore, if you have an estate plan that is set up to avoid probate, and acquire new property, you will want to assign that property to your living trust. You may want to consider a variety of estate planning strategies, anywhere from setting up an LLC to protect certain assets from lawsuits, to reducing the size of your estate for tax purposes.

If you have experienced any similar changes since creating an estate plan, it may be time for you to make some changes for this fresh start to the new school year! It's a Wild world. Are you still protected?

Cheat Sheet

We know that college is no place for cheating, but Students- and Parents-on-the-go may need this cheat sheet for a summary of the August Back to School College Edition!

College Tax Savings:

Student Tax Holidays & Savings

Get an A+ in tax savings with a 529-college-plan! This cannot be done soon enough, as the tax savings are substantial. You not only avoid paying tax on withdrawals, but any capital gains are tax-free as well. Einstein said that "the hardest thing in the world to understand is the income tax," & that is what makes this plan so simple - no federal income tax on money in the 529 college savings plan (plus, no income tax in Florida).

Don't Leave the Nest Without This!

Estate Planning For the College Student

Sure, the college student may not have the same estate planning goals of mom & pops, but that doesn't exclude them from planning ahead! If you are a legal "adult," you need to give your parental-units the authority to make decisions on your behalf - including those that relate to your health! Make sure you have designated such authority with the discussed documents.

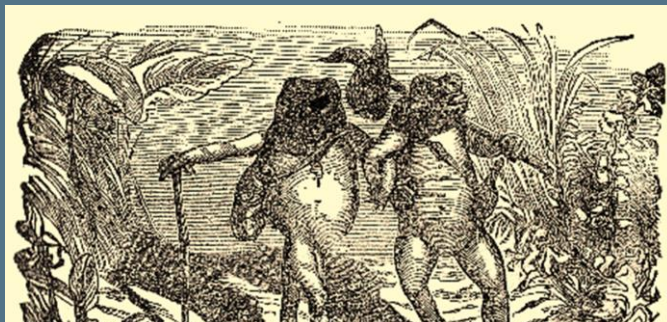
Be Wise, Revise!

A New School Year; An Old Estate Plan?

What better way to get a fresh start to the new school year than by preparing for the unexpected? If you have experienced a change in your estate size or family-relationships, it may be time to make alterations to your estate plan. Ensure that your estate plan is still consistent with your goals!



A LITTLE FABLE AT THE COUNCIL TABLE



IN THE NEXT ISSUE:

FOOTBALL IS BACK EDITION

THE BEST OFFENSE IS A GREAT DEFENSE

Asset Protection Planning isn't only for professional athletes. If you have something to lose, you should take some time to learn how to protect it.

SETTLING FOR "3" VERSUS GOING FOR "7": WILLS VS TRUSTS

While a Last Will and Testament is a necessary component of a winning succession game plan, it's difficult to achieve victory without a Revocable Living Trust.

NO TIME TO TAKE A KNEE

Estate Planning is never just "set it and forget it". No matter what the scoreboard says, it is always important to have your estate plan reviewed by an estate planning attorney every three to five years.

HERCULES & THE WAGGONER

Two frogs dwelt in the same pool. The pool being dried up under the summer's heat, they left it and set out together for another home. As they went along they chanced to pass a deep well, amply supplied with water, on seeing which, one of the Frogs said to the other: "Let us descend and make our abode in this well." The other replied with greater caution: "But suppose the water should fail us, how can we get out again from so great a depth?"

Do nothing without a regard to the consequences.

Do not jump into a well that you cannot escape; know the consequences, and plan accordingly!

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