

VOLUME 4 ISSUE 3

ESTATE PLANNING & ASSET PROTECTION



MARCH 2013  IN THIS ISSUE:

THE TOP TEN ESTATE PLANNING MYTHS

Just like there are myths about leprechauns and pots of gold at the end of rainbows, there exist myths about estate planning.

THE BENEFITS OF A SEPARATE SHARE TRUST FOR YOUR CHILDREN

Find out how to ensure the financial security of your loved ones, especially when minor children are involved.

ESTATE PLANNING AND YOUR CHILD'S EDUCATION

Learn about the advantages of an irrevocable trust and your child's college fund.



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.

DEBUNKING THE TOP TEN MOST COMMON ESTATE PLANNING MYTHS

People like to think of themselves as experts, even if they truly are not. The following are ten of the more popular “expert tips” you may have heard concerning estate planning and why they are false.

1. A LIVING TRUST AVOIDS ESTATE TAX

A trust is an agreement between you and your trustee to carry out the instructions contained in the document. However, simply creating a trust in existence is not enough. Certain formalities must be adhered to and very specific terms must be added for that purpose.

2. WITHOUT A WILL, THE STATE OF FLORIDA GETS ALL MY PROPERTY

Property will first be distributed to a person's

next of kin in accordance with the statutory priority list. However, such distribution of property rarely aligns with a person's wishes.

3. HAVING A WILL AVOIDS PROBATE

The word “probate” means to establish the validity of a will. It must be admitted to the probate court before it can be carried out. For example, a will can be contested by heirs for undue influence or duress.

4. A LAST WILL AND TESTAMENT COVERS ALL MY PROPERTY

A will only covers property titled in a deceased person's name at the time of death. Certain property such as jointly held assets, life insurance, and retirement plans will pass to the surviving co-owner or designated beneficiary.

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?



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

5. I DON'T NEED AN ATTORNEY; I CAN DRAFT MY OWN ESTATE PLAN

You most certainly can; but you do so at your own peril. This is one of the biggest mistakes people make. You cannot create a solid estate plan unless you fully understand when and how your property will be transferred. There are formalities under Florida law to adhere to as well as estate tax implications to consider. One simple mistake can waste time and money during the administration process. A professionally prepared estate plan will save more money than it costs to fix unnecessary, unplanned mistakes.

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6. I DON'T NEED TO PLAN BECAUSE ALL MY PROPERTY IS JOINTLY OWNED

Sometimes owning property jointly with another person is a good idea. However, there may be legal implications that are not so palatable. There could be federal and state gift tax ramifications. Estate tax exemptions could be lost to both tenants. Joint ownership can affect qualification for public assistance programs like Medicaid.

7. ESTATE PLANNING IS JUST A BUNCH OF FORMS

The choice to use a specific estate planning tool depends on a variety of factors in order to achieve the intended goal. No two estate plans are exactly alike.

8. ESTATE PLANNING IS ONLY FOR THE WEALTHY

Estate planning is not just for the wealthy. It's about protecting those you love. Factors to consider are caring for a minor or disabled child, transferring ownership of property, caring for a surviving spouse, transferring business interests, transferring ownership of property in another state, charitable giving, avoiding probate, avoiding taxes and caring for pets. There are infinite reasons to plan your estate.

9. LIVING TRUSTS ARE THE ONLY WAY TO AVOID PROBATE

There are several ways to avoid probate, and a living trust is only one of them.

10. I HAVE PLENTY OF TIME TO PLAN MY ESTATE

Of course you do! That is, if by some unexplained phenomena or psychic ability, you know exactly the day and time you will die or become incapacitated.



THE BENEFITS OF SEPARATE SHARE

The most effective way to make sure that each of your minor children receives the necessary financial support to ensure that they are well taken care of is to establish your Revocable Trust and draft a provision that would create Separate Share Trusts upon your death.

It is more than likely that the reason for establishing your estate plan is to ensure that your family is financially secure after you are gone. Estate planning for families with minor children can present challenges and difficult choices for parents.

Creating a Separate Share trust for each child makes it easier for parents to account for the differences in the needs and propensities of each child. If one child has special medical or education needs, or if one child has an inclination toward the life of a spendthrift, parents can establish the appropriate portion of the estate and the terms of the distribution of assets accordingly. Thus, by using Separate Share Trusts, you can ensure that each child is cared for according to their specific needs and protected against making premature mistakes.

In Separate Share Trust the parent/grantor can decide under what circumstances and at what age each child has the maturity sufficient to take possession of the assets. This will ensure that children will not recklessly waste the funds when they turn 18, 21, 25, 30, 35 or any other age you specify. Once established, the trust would provide for the children's care and education and make money available to them as they reach certain ages indicative of maturity.

However, one disadvantage to using "separate share" trusts with multiple children is the difficulty in administration. Depending on the provisions of the trust agreement, the trustee (which does not have to be the legal guardian) may have to account to each beneficiary separately and may have to maintain records of the distributable net income attributable to each beneficiary for income tax purposes.

You've worked hard to provide for your family a bright future. Plan accordingly and make sure that your work creates the best opportunities imaginable for your children.

It's a Wild world. Are you protected?

DID YOU KNOW?

Our children's education is something we cannot place a value on. When it comes to estate planning, many people do not account for something so important until it is too late.

Another estate planning tool that you may want to consider is creating an irrevocable trust for your child's college fund. A trust can protect your child's college fund from creditor demands.

Also, an irrevocable trust has its own tax ID number and is not considered an asset when calculating your taxes.

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.

Furthermore, a trust can be set up with restrictions regarding how and when your money will be distributed to your child.





A LITTLE FABLE AT THE COUNCIL TABLE



IN THE NEXT ISSUE:

WHY YOU SHOULD CONTINUE TO REVIEW YOUR ESTATE PLAN

Nature awakens our estate planning senses through the arrival of spring. Follow the cycle of rebirth and renewal and get your estate plan updated if you have not already done so.

BASIC BUSINESS STRUCTURES

Find out about the ways of legally structuring your business and the benefits of choosing one entity over another.

THE BENEFITS OF GIVING

Answer the call of the humanitarian within while still keeping more money in your wallet with the help of a charitable remainder trust (CRT)

THE DECEASED AND HIS HEIRS

A man died leaving a large estate and many sorrowful relations who claimed it. After some years, when all but one had had judgment given against them, that one was awarded the estate, which he asked his Attorney to have appraised.

"There is nothing to appraise," said the Attorney, pocketing his last fee. "Then," said the Successful Claimant, "what good has all this litigation done me?"

Families are destroyed and fortunes lost when things are left unclear.

Plan today to make sure your loved ones can enjoy the fruits of your labor in peace and harmony.

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