

VOLUME 5 ISSUE 4

ESTATE PLANNING & ASSET PROTECTION



APRIL 2014:

FRIDAY HE DIED, SUNDAY HE ROSE, ON MONDAY HE UPDATED HIS TRUST

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.

DON'T PASSOVER THE NEED FOR A PROPER BUSINESS STRUCTURE

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

TAX DAY BE DAMNED: GIVE OR IT SHALL BE TAKEN

Answer the call of the humanitarian within while still keeping more money in your wallet with the help of a charitable deduction.



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.

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TAX DAY BE DAMNED: GIVE OR IT SHALL BE TAKEN

April 15 has come and gone, and you may have made a commitment that you will make better tax decisions for 2014; just like you promised for 2013. The time has come to introduce this resolution to your inner humanitarian, as you can make donations to a good cause, while reducing your tax liability. This year, be sure to find an organization that is qualified by the IRS, so you can make an itemized deduction on your tax return.

Use the following tips to ensure that you can receive a deduction for your charitable donation.

1. **Itemized Deduction:** First of all, you cannot make a qualified charitable deduction under the "standard deduction," as they can only be reported through itemized deductions.

2. **Determine whether your donation is qualified for a deduction:** To receive a deduction for your donation, it must be made to a "qualified organization." The ["Exempt Organizations Select Check"](#) is an online tool provided by the IRS to help you determine whether your donation was made to a qualified organization. If you don't want to do the research, you can always count on larger charitable organizations like Red Cross.

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

3. **Keep a record:** When you make a charitable donation to a qualified organization, you must maintain a record in the form of a bank record or a written communication from the qualified organization containing name of the organization, the date and amount of the contribution. If your contribution has a value of \$250 or more, you must get a contemporaneous written acknowledgment from the qualified organization indicating the amount of the cash, a description of any property contributed, and whether you received a benefit in return (if so, it must include the estimated value of the benefit received).

4. **Submit a Form 8283:** If your charitable donation deductions exceed \$500, you must submit a [Form 8283](#) with your return. You can find the instructions for filling out this form [here](#).

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DON'T PASSOVER THE NEED FOR A PROPER BUSINESS STRUCTURE

There are a variety of business entities that can be incorporated into your wealth preservation plan. An LLC is a commonly used structure that provides its "members" (owners) with control over assets, without the risks associated with having title in their own personal names. Rather, such assets will be legally owned by the LLC. Therefore, by separating your assets into LLC's, you are safeguarding them from being pulled into a lawsuit brought against you, as you do not "own" them. An LLC is a "Limited Liability Company." It provides the desirable liability features of a corporation, without all of the extra hassle (paperwork, etc). Lets say you have a boat. So you give it a clever name (e.g. Let My People Go Fishing), and put it in an LLC. A judgment against you is not valid against the LLC and the asset it holds (the boat). Furthermore, lets say you have an investment property (a high risk lawsuit property), and a tenant injures themselves on the property, and commences a lawsuit. If organized correctly, they can only sue the LLC alone. Your home and other assets (bank account, etc.) may not be touched, because you do not own the property, thus you are not personally liable. It's like being a stockholder in a corporation.

Due to the fact that there are several requirements to properly forming an LLC, you will want to seek an attorney (that has a thorough understanding of such asset protection) to assist you in ensuring that the LLC is valid; otherwise, your safeguarding efforts will be futile. Also, keep in mind, the timing of the asset transfer cannot be done to actively avoid a present creditor, as it may be considered a "fraudulent conveyance." Therefore, it is important to partake in these asset protection strategies prior to any legal or financial problems.

By utilizing estate-planning techniques, you can protect yourself and your family from unnecessary hassles, while safeguarding your assets. With the help of an estate-planning attorney, there are a variety of tools that can be customized to your goals, and implemented to ensure that you get the assets, without risking your name – Don't PASSOVER this opportunity!



The Easter Bunny's Hidden Egg Your Discovered Treasure

As you are preparing for this upcoming Easter celebration, remember that although the Easter eggs may be easier to hide than they are to find, the hidden treasures reveal a nice surprise for the discoverer! The same rings true for an estate plan that uses advanced planning techniques to provide for an easy transition of assets upon your death. Just like the Easter egg hunt, the transfer of assets into a trust may require a little bit of extra work, but the end result makes it all worth it!

So now you are wondering, what is so special about a Revocable Trust based estate plan? Let us answer this question with another question: If you became incapacitated or died, would you have the following benefits?

- asset protection
- control over your assets
- protection for your loved ones
- preclusion of unnecessary taxes
- creditor protection
- limited/no transfer taxes for following generations
- probate avoidance

Absent a full trust-based estate plan, you answer will likely be "no." A Revocable Trust based estate plan provides all of these benefits, and more. We have already discussed a method for safeguarding assets through the use of an LLC (see *"Don't Passover the Need for a Proper Business Structure,"* above). Now let us take a look at those that provide protection over your assets and their proper distribution.

1. Pour over Last Will & Testament and Revocable Trust – The will coupled with a revocable trust effectively bypasses probate, which is the validation of the will — a process that is often incredibly time consuming and often expensive. The pour-over will takes all of the property that passes through the will, and funnels it into the trust. That property is then distributed to the trust beneficiaries pursuant to the terms of the trust. A pour-over will functions to ensure that all of the decedent's property is transferred to trust. Think of the pour-over will as a safety net that catches all of the assets that were not properly transferred into trust. All the contents of the net are then poured into the trust, ensuring that all of the property is ultimately distributed through the living trust. Furthermore, all of the decedent's property is distributed by the terms of one document alone (the trust), allowing for simplicity and clarity.

2. Assignment of Property – the assignment of property places all of your property into the trust. This avoids costs, loss of privacy, & headache associated with probate. Therefore, when all of your assets are distributed through the trust, there is nothing within the will to validate. As an alternative, you can merely assign property to the trust that you specifically want to preclude from probate, for the purposes of privacy.

For more information on successful Florida estate planning and asset protection techniques, please contact the South Florida law firm of Wild Felice & Partners, P.A. at 954-944-2855 to schedule your free consultation.

What Is Probate & Why Do We Like to Avoid It?

Probate is the process of validating a will and distributing the decedent's assets. This can be an incredibly long process. The deceased individual's property must be properly inventoried and identified. All necessary appraisals of any properties involved must be completed, and debts will be paid off. It is then that the estate is distributed. With a smaller estate worth just a few hundred thousand, the proceeding might last around 6 months. With an estate under \$1 million, where conflicting interests of family members are present, the process might take up to 18 months. If there are issues with creditors and their claims, the process could take even longer. For more complex estates, it may take a few years before final resolution.

Probate is also extremely expensive. Living in South Florida, you can expect to pay about three to seven percent of the total estate value in addition to court fees, personal representative fees, attorney's fees, accounting fees, appraisal and business valuation fees, bond fees, and anything else that may come up along the way. The validity of a will is often questioned, and creditors can stake a claim on the estate. This can prolong the process for years resulting in additional legal fees.



IN THE NEXT ISSUE:

APRIL COLLEGE PLANNING EDITION

THE IMPORTANCE OF HAVING THE PROPER 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 in Florida.



211 Broward – Making Real Connections Breakfast

Thursday, May 1st

Networking & Buffet Breakfast: 7:30 AM - 8:30 AM
Program Begins: 8:30 AM

Location: Signature Grand - 6900 State Road 84, Davie, FL

Co-Chairs:

Ronnie Oller

Michael D Wild, Esq., Wild Felice & Partners, P.A.



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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 to schedule your free consultation.

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