

VOLUME 5 ISSUE 11

# ESTATE PLANNING & ASSET PROTECTION



NOVEMBER 2014: GIVING THANKS EDITION

## IS YOUR ESTATE PLAN A TURKEY?

Have your plan reviewed and updated every 3 to 5 years to assure that it remains legally current and true to your goals.

## YOU ARE WHAT YOU EAT: PASS THE VEGETABLES

Temporary or permanent incapacity can happen to any of us. Supplemental documents need to be in place prior to any capacity issues.

## THE TRANSFER OF YOUR ASSETS: AS EASY AS PUMPKIN PIE

Using a Revocable Trust and other advanced planning techniques will assure your family an easy transition of assets upon your death.



# WFP

WEALTH FAMILY PROTECTION

*Attorneys at Law*

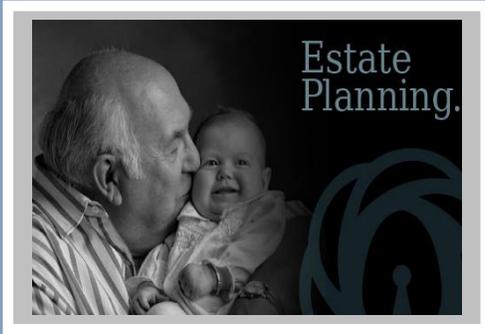


At Wild Felice & Partners, we implement estate planning and wealth transfer techniques such as the use of Florida Revocable Trusts and Irrevocable Trusts, Family Limited Partnerships, Limited Liability Companies and other advanced estate planning tools to help our clients avoid probate and limit or eliminate 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?**

**WHEN LEGACY MATTERS**

# IS YOUR ESTATE PLAN A TURKEY?



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

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.

## YOU ARE WHAT YOU EAT: PASS THE VEGETABLES

Remember the days when your play-time was conditioned on your willingness to eat all of your vegetables? The parental encouragement to “eat your vegetables” has somehow managed to coexist with the warning that “you are what you eat” - which begs the question, who wants to be a vegetable? There are two universal truths: (1) broccoli is not tasty; and (2) no one wants to be a vegetable. But the truth of the matter is, temporary or permanent incapacity can happen to any of us. Thus, supplemental documents need to be in place prior to any capacity issues.

We cannot help you develop a taste for broccoli; we can, however, prepare you for the unknown. There are many documents you should have in your plan to ensure that you are prepared when life passes the vegetables. Look to the following health-related documents to plan for the day where you may not wake up and smell the broccoli:

1. **Durable Power of Attorney** – this allows you to designate and authorize someone to legally act on your behalf, in the event that you become incapacitated. The instrument will specifically state the powers that you are giving the person that you nominate to act

on your behalf. Furthermore, this person must make decisions that

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.*

are in your best interest, not their own. Take careful consideration in determining who you want stepping into your shoes.

2. **Combination Living Will & Designation of Healthcare Surrogate** - this outlines important healthcare decisions in advance, and appoints a healthcare surrogate to make healthcare decisions for you when you become unable to do so yourself. Be certain to name someone, otherwise, a proxy may be designated in which you would never chose yourself. You want to chose who's hands your life is in, right?

**Whether or not you are what you eat, and what you eat is vegetables -- be sure to include medical-related documents into your estate plan, ensuring you have control when you otherwise would not!**

A turkey is essential as a delicious sleep inducing holiday dish, but when it comes to your estate plan, you want to keep the gobble-gobble to a minimum. There are a variety of life events that can turn your estate plan into a turkey. This is why it is incredibly important to have your estate plan reviewed to ensure that it is still effective and true to your goals. While there is no specific time for when you need to have your estate plan reviewed, every three to five years is generally sufficient. However, if there is any particular life event that takes place that will affect your relationships or distributions, you may want to have your plan reviewed for alterations. Such life events include the following:

***Children:*** Sometimes your Will & Last Testament will provide for after-born children, but you should take the document to your estate-planning attorney to ensure that your little bundle of joy is provided for. Additionally, you may want to set up a trust, a 529-college plan, alter beneficiary designations in your will, and nominate a legal guardian.

***Marriage & Divorce:*** if you have recently married or divorced, you will want to take your current estate plan to your attorney to determine whether these life events are addressed in the documents. Furthermore, you may want to change your Personal Representative, Trustee's, Guardian's, etc.

***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 also 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 or time lapses since creating an estate plan, keep your turkey in its rightful place as an entree, and out of your estate plan -- have it reviewed today! It's a Wild world. Are you still protected?***

## **THE TRANSFER OF YOUR ASSETS: AS EASY AS PUMPKIN PIE**

*Using a Revocable Trust and other advanced planning techniques will assure your family an easy transition of assets upon your death.*

As you are preparing for this upcoming thanksgiving dinner, you may come to the realization that while pumpkin pie is a tad bit more complicated to bake than its kin, Apple Pie; it sure is easy to eat! The same rings true for an estate plan that uses advanced planning techniques to provide for an easy transition of assets upon your death. It may be easier to simply make a Last Will & Testament that states your wishes; however, that is going to result in a gruesome probate experience for the loved ones you leave behind.

**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, your answer will likely be "no." A Revocable Trust based estate plan provides all of these benefits, and more. We have already discussed the documents that are imperative to prepare for incapacity (see "*You Are What You Eat: Pass The Vegetables,*" above). Now let us take a look at those that provide protection over your assets and their proper distribution.

**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.

**Assignment of Property to Trust** – 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.

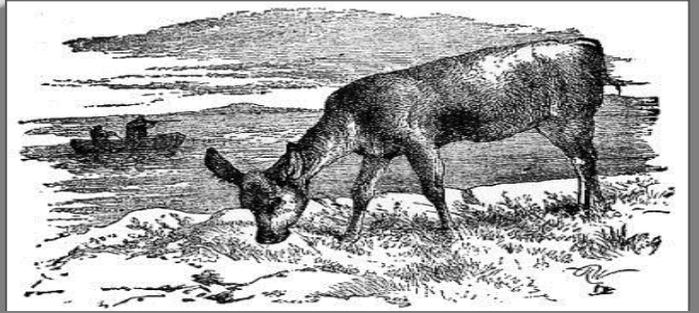
*For more information on successful Florida estate planning and asset protection techniques, please contact the South Florida law firm of Wild Felice & Partners, P.A. at 954-944-2855 to schedule your free consultation.*

### **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.



## A LITTLE FABLE AT THE COUNCIL TABLE



### IN THE NEXT ISSUE: JINGLE BELL DOCS

#### DECK THE HALLS, NOT YOUR SPOUSE

Holiday time can be stressful on families and may often lead to talk of divorce. Updating the estate plans is crucial whether you stay together or divide up the fruit cake.

#### DON'T LET ASSET VULTURES GIVE YOU A BLUE CHRISTMAS

Protect your assets from potential creditors, litigation and fraud in just a few easy steps.

#### IT'S A WONDERFUL LIFE, BUT IT HAS TO END SOMETIME

What to do when someone passes away and why probating an estate is a painful but manageable process, with the right attorney.

### THE ONE EYED DOE

*A Doe had had the misfortune to lose one of her eyes, and could not see any one approaching her on that side. So to avoid any danger she always used to feed on a high cliff near the sea, with her sound eye looking towards the land. By this means she could see whenever the hunters approached her on land, and often escaped by this means. But the hunters found out that she was blind of one eye, and hiring a boat, rowed under the cliff where she used to feed and shot her from the sea.*

***You cannot escape your fate – so prepare for it!***

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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.

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