



# ESTATE PLANNING

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**Maximize the legacy you  
leave to loved ones**



# An estate plan is a versatile tool from which anyone can benefit.

It is the way you communicate your wishes to the loved ones you leave behind—demonstrating that you cared enough about them to spare them the burden of dealing with your unfinished business.

A well-designed estate plan can help you:

- Minimize or eliminate estate taxes at death
- Provide for orderly family business succession
- Avoid probate and probate fees
- Promote a charitable cause
- Minimize family discord
- Preserve wealth throughout generations
- Protect assets from creditors, divorces and lawsuits
- Provide for loved ones with special needs while preserving eligibility for government-sponsored programs
- Promote your values throughout generations
- Arrange for the guardianship of your minor children

## Taxes and Transfer Costs

Whether you do bare bones planning by drafting a will or fail to plan altogether, you have an estate that is subject to probate administration. Your estate must be administered through the probate court located in the county of your legal residence at the time of death. The overall cost of probate will vary according to state law and will generally hinge on the size of the estate—the more you own, the more you owe.

In addition, generally the federal government imposes an estate tax on all property you pass to your loved ones upon your passing. Every asset you own at that time will be included in determining the value of your estate and any taxes due. Those who pass away in 2012 with estates of less than \$5,120,000 will owe no estate taxes. Estates in excess of this amount will be taxed at 35%.

Furthermore, some states impose their own separate estate tax. In fact, some of these states maintain relatively low death tax exemptions. For example, in New Jersey the state estate tax exemption is \$675,000<sup>1</sup> and in Massachusetts it's

\$1,000,000.<sup>2</sup> In other words, depending on the state of your residence, an estate that is too small to generate federal estate tax liability may nonetheless trigger state estate taxes.

Some states impose an inheritance tax in addition to the state estate tax. Inheritance tax is imposed on the right to receive property by inheritance or legal succession. The tax imposed is based on the beneficiary's relationship to you and the amount of property received from your estate.

## When it comes to estate planning, here are a few things to consider:

1. Do you have current estate planning documents? A family trust? Burial instructions? Necessary powers of attorney? Guardians selected for minors?
2. How do you want your property distributed at death?
3. Have you taken any action to reduce the amount of estate taxes that may be due at death?
4. Do you have children, parents, or other family members or dependents with special needs?
5. Have you thought about benefiting a charity, educational institution, or other nonprofit organization at your death?
6. Have you arranged your life insurance so that it will be excluded from your estate, to minimize federal estate taxes at death?

If you have not found the time to address these questions, this brochure should help you and your advisor assess your estate quickly and simply. Following this assessment, you can expect to receive suggestions from your advisor on how you can meet your estate planning objectives. These recommendations may help you keep or pass on more of your hard-earned assets.

## The Bottom Line

Everyone needs an estate plan. Without a plan, taxes and transfer costs threaten to erode your hard-earned legacy.

# Estate Planning Data - Part I

## Client Information

### PERSONAL INFORMATION

Name <i>(Husband)</i>	Date of Birth	Health Status
Name <i>(Wife)</i>	Date of Birth	Health Status

### ADDRESS INFORMATION

Street <i>(Home)</i>	City	State	ZIP Code
Street <i>(Business)</i>	City	State	ZIP Code
Street <i>(Other Residence)</i>	City	State	ZIP Code

## Citizenship (if other is applicable, please specify)

Husband	<input type="checkbox"/> U.S. Citizen	_____	_____
	<input type="checkbox"/> Resident Alien	<input type="checkbox"/> Non-resident Alien	Country of Citizenship
Wife	<input type="checkbox"/> U.S. Citizen	_____	_____
	<input type="checkbox"/> Resident Alien	<input type="checkbox"/> Non-resident Alien	Country of Citizenship

## Children

Name	Date of Birth	Health Status
Name	Date of Birth	Health Status
Name	Date of Birth	Health Status

## Grandchildren

Name	Date of Birth	Health Status
Name	Date of Birth	Health Status

## Other Dependents

Name	Date of Birth	Health Status
Name	Date of Birth	Health Status

Prior Marriage Date	Former Spouse's Name(s)	Date of Dissolution	Court Involved	Alimony Support Amount
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

# Estate Planning Data - Part II

## Life Insurance Policies

### Policy 1

Issued by: \_\_\_\_\_

Name of Insured: \_\_\_\_\_

Policy Owner: \_\_\_\_\_

Face Amount: \$ \_\_\_\_\_

Cash Surrender Value: \$ \_\_\_\_\_

Annual Premium: \$ \_\_\_\_\_

Beneficiary(ies): \_\_\_\_\_ Relationship to Insured: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Policy 2

Issued by: \_\_\_\_\_

Name of Insured: \_\_\_\_\_

Policy Owner: \_\_\_\_\_

Face Amount: \$ \_\_\_\_\_

Cash Surrender Value: \$ \_\_\_\_\_

Annual Premium: \$ \_\_\_\_\_

Beneficiary(ies): \_\_\_\_\_ Relationship to Insured: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Policy 3

Issued by: \_\_\_\_\_

Name of Insured: \_\_\_\_\_

Policy Owner: \_\_\_\_\_

Face Amount: \$ \_\_\_\_\_

Cash Surrender Value: \$ \_\_\_\_\_

Annual Premium: \$ \_\_\_\_\_

Beneficiary(ies): \_\_\_\_\_ Relationship to Insured: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Policy 4

Issued by: \_\_\_\_\_

Name of Insured: \_\_\_\_\_

Policy Owner: \_\_\_\_\_

Face Amount: \$ \_\_\_\_\_

Cash Surrender Value: \$ \_\_\_\_\_

Annual Premium: \$ \_\_\_\_\_

Beneficiary(ies): \_\_\_\_\_ Relationship to Insured: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Policy 1/Face Amount: \_\_\_\_\_ \*

Policy 2/Face Amount: \_\_\_\_\_ \*

Policy 3/Face Amount: \_\_\_\_\_ \*

Policy 4/Face Amount: \_\_\_\_\_ \*

\*Amount to be copied to **Total Life Insurance Face Amount** line in **PART III** (next page)

# Estate Planning Data - Part III

Current Assets	Husband	Wife	Jointly Owned
<b>Cash and Cash Equivalents</b> such as bank accounts and CDs			
<b>Notes, Accounts Receivable, Mortgages, and Other Receivables</b>			
<b>Bonds</b>			
<b>Stocks and Mutual Funds</b>			
<b>Closely Held Business Interests</b>			
<b>Real Estate</b>			
<b>Total Life Insurance Face Amounts Per Owner</b> —copy totals from Part II here			
<b>Includible Trusts</b>			
<b>Retirement Plans</b> such as 401(k), pension, profit-sharing, ESOP, and IRA			
<b>Miscellaneous Personal Effects</b> such as automobiles, jewelry, collections, art, patents, trademarks, and copyrights			
<b>TOTAL</b>			
<b>Current Liabilities*</b>			
<b>Real Estate Mortgages</b>			
<b>Notes to Financial Institutions</b>			
<b>Loans on Life Insurance Policies</b>			
<b>Other Obligations</b>			
<b>Tax Liabilities</b>			
<b>TOTAL</b>			
<b>Net Worth**</b>			

\*Estimate for general estate planning only.

\*\*Totals are net of Current Assets and Current Liabilities columns.



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<sup>1</sup> Retrieved on December 2011 from <http://www.state.nj.us/treasury/taxation/revesttax.shtml>, New Jersey Department of the Treasury

<sup>2</sup> Retrieved on December 2011 from: <http://www.tax.ny.gov/pit/estate/etidx.htm>, New York Department of Taxation Finance

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