



CLIENT FOCUS

eMONEY ADVISOR PLATFORM

Life seems to continually become increasingly complex. As complexities arise in each of our lives, we look for solutions to simplify things. One of the solutions our firm has researched is the eMoney Advisor Platform. In looking for a solution, we noted one complexity our clients are faced with today is capturing all of their financial account information. With portfolios of savings accounts, checking accounts, mutual funds, IRAs, 401(k)s, mortgages, etc., it is hard to get an easily accessible and accurate picture of our financial status. With eMoney Advisor, an account aggregation tool allows individuals to view a complete financial snapshot of all their portfolios. This information may be easily updated on a daily basis.

In addition to compiling financial portfolio information, the eMoney Advisor Platform has secure document storage capabilities. As individuals accumulate legal documents, medical records, insurance policies, statements, tax returns and other personal information, it becomes necessary to find a safe storage location. The eMoney Advisor system's Vault capability provides for a secure online document storage solution. Through the eMoney platform individuals have the ability to access all their documents anytime, anywhere.

The eMoney system also allows its users to view multiple financial reports, track credit card and frequent flier rewards and research market data and security information. To find out more about how you can take advantage of this innovative program, please call Jamie at our office today. **J**



LIFE INSURANCE POLICY REVIEW

Many families invest in life insurance policies for decades without a thorough review of the purpose of the insurance or the performance of the individual policies. This is particularly relevant where trustees have a fiduciary responsibility of overseeing life insurance policy administration and performance. A review by an independent insurance professional can bring these important issues into focus and can save families from estate plan failure. In addition, families are often surprised at the savings that can be achieved when both insurance needs and policies are brought current.

The following are some of the questions which should be addressed every five or so years concerning life insurance policies:

- ◆ Is the amount of insurance equal to our need?
- ◆ Are the insurance companies on sound financial footing?
- ◆ Are the insurance policies being administered based on estate plan objectives?
- ◆ Are the policy types suitable to plan objectives?
- ◆ Are the policies funded properly based on performance and estate plan objectives?
- ◆ Are the policies' benefits adequate to premiums paid based on competitive analysis?

If you feel it is time to revisit your insurance plan, give us a call and we can arrange for a policy review to make sure you have the coverage you need. **J**

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Title Transfers

"Real estate is probably the most critical property to have in Trust..."



i It is very important that all of the assets you own be transferred to the Trust. Only those assets transferred to the Trust will avoid probate on both deaths. Joint tenancy property will not have to be probated upon the first death, but will have to be probated on the second death. Therefore, even joint tenancy property should be transferred to the Trust. The following instructions will guide you in transferring your assets.

Real Property: Real estate is probably the most critical property to have in Trust, as a separate probate has to be initiated in every state where real property is located. New deeds will therefore have to be prepared to accomplish these transfers.

Please be advised that if your real property is ever refinanced, there is a possibility that the lender will require that the property be transferred out of the Trust during the lending process. If this happens, it will be your responsibility to transfer the property back into your Trust once the refinancing process is complete.

Cash Accounts: In regard to your cash accounts (checking, savings, money market funds, certificates of deposit, etc.), you will need to individually visit the financial institution and sign documents which are necessary to transfer these assets to the Trust. You should not have to close the old accounts and open new ones; rather, you should retain the old account numbers so that you need not order new checks or lose interest on interest-bearing accounts. We would suggest that you start with the Branch Manager or other appropriate official in charge of the institution and have him or her direct you to the proper person to handle the changes.

Certificates of Deposit: In regard to any unmatured certificates of deposit, you will also need to visit the financial institution and endorse them over to the Living Trust. When they mature, the new certificates should be issued in the name of the Living Trust as directed above.

Safe Deposit Boxes: Most banks will allow you to title your box in the name of the Living Trust.

Stocks, Bonds and Securities: In regard to any publicly traded stocks or bonds, it is best to have your broker handle the transfer of these assets as your signatures need to be witnessed by a member of a national stock exchange or national bank officer. You should not consider this as completed until a new certificate has been received from the transfer agent showing the Trustee as the owner of the certificate.

Motor Vehicles: In transferring your motor vehicles, complete the back of the title, signing off as Owner and indicating the designated Trustee as Purchaser, then take the completed certificate to the Department of Motor Vehicles. In addition,

you will need to obtain a statement from your automobile insurance carrier to present to the Department of Motor Vehicles, stating that the insurance company will continue to insure your automobile, once it is transferred to your Trust.

Insurance Policies: It is important that you change the beneficiary designation for any insurance policies so that the beneficiary is now the Living Trust. You should have your insurance agent aid you in changing the beneficiary. He should be able to promptly submit the necessary forms to the appropriate head office, and you should not consider this as completed until you have received written acknowledgement of the change from each head office. However, if there is the possibility that debts of the estate may exceed assets, it may be advisable to name individuals or a special Trust and not the revocable Trust as beneficiaries of the insurance to insure that the insurance proceeds will not be held for payment of estate debts, but will rather pass debt free to the named individual beneficiaries.

Retirement Accounts: It is not possible to change the account name of your individual retirement account to the Trust, as individual retirement accounts, 401(k)s, etc., are required to be held in each name individually. However, if it is your desire that your spouse receive these benefits, he or she should be listed as the primary beneficiary in order to receive favorable income tax benefits; however, if your marriage is not a first marriage, you should consult with your attorney prior to naming your present spouse as the primary beneficiary. If you name your spouse as the primary beneficiary, the Trust may be listed as the secondary beneficiary. This beneficiary change should be made through the institution where your retirement account is held. This should not be considered as completed until you have received written confirmation from the institution administering your account.

Future Acquisitions: Keep in mind that any property of whatever kind which you may acquire in the future should be purchased in the name of the Trust or transferred to the Trust following purchase.

CAVEAT

Before transferring stock options or other tax-sensitive investments to your Trust, please consult your individual income tax return preparer to insure that no adverse income tax consequences will result upon transfer.



ESBT-QSST

If you hold, or potentially will hold, S-corporation stock* in your Trust, it may be necessary for you to amend your Trust. In order to provide your Trust maximum flexibility with regard to holding S-corporation stock and the distribution of its income, we recommend that your Trust agreement be amended to allow for its operation as a Qualified Subchapter S Trust ("QSST") or Electing Small Business Trust ("ESBT"). Making this addition will give your Trust greater flexibility in holding S-corp stock and preventing the generation of unintended corporate income tax through forfeiture of the S election since Trusts are generally not allowed to hold stock in an S-corporation. Therefore, we recommend that language be included in your Trust to allow for its operation as a QSST and/or ESBT so that it may hold stock in an S-corporation without jeopardizing the entity's S election.

*S-corporation stock is stock in a closely-held business, usually among very few shareholders. Stock traded on any exchange is never S-corporation stock.

Estate Tax Reform

In past newsletters we have addressed the ongoing status of the estate tax reforms that were signed into law in 2001. The general theme of the estate tax reform is to provide a higher estate tax exemption and a lower tax rate, with the estate tax being totally abolished in 2010. However, the tax reforms contain a sunset provision, meaning that the estate tax will revert to the pre-reform tax regime in 2011 if not addressed by Congress before that time. The chart below provides an overview of the applicable exemption and tax rate for the years in question.

Year	Top Tax Rate	Tax Exemption (presuming no gift tax exemption has been used)
2007	45%	\$2,000,000
2008	45%	\$2,000,000
2009	45%	\$3,500,000
2010	0%	No Tax
2011	55%	\$1,000,000

Based on the uncertainty of the future estate tax, your estate plan should factor in the possibility that the estate tax exemption may be limited to \$1,000,000 at some future point.

For married couples whose estate is likely to exceed \$1,000,000, but who want to retain maximum flexibility in light of the uncertain future of the estate tax, we recommend that your joint trust be reviewed to best plan for uncertainties in the law.

One option to allow flexibility in your estate plan is the use of a disclaimer trust. A disclaimer trust allows the surviving spouse to evaluate asset needs and the current status of the estate tax exemption upon the

passing of the first spouse. We have already made this important change for many of our clients.

While estate tax minimization is still a major component of an estate plan, we have noted a shift from planning for estate tax purposes to planning for asset protection purposes. Also, in the wake of the recent elections and the change in Congress, it is highly unlikely that the estate tax will be completely repealed in 2010. In light of these changes, we feel that the estate tax will remain with us in some form,

with possibly a higher unified credit and a lower tax rate. If you would like to review your current estate plan and discuss the possibility of asset protection as well as minimization of your taxable estate, please call us at (702) 433-4455 (main office), or (702) 254-4455 (west office), to schedule an appointment.

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Is it Time for a Check-up?

Changes in your net worth, family relationships or the law could mean that you need to update your estate plan. Remember, every plan should be reviewed on a regular basis. Please contact us for a free 30-minute consultation if you have experienced any of the following:

- ◆ Not reviewed your plan with an attorney for more than three years.
- ◆ Recently divorced or became widowed.
- ◆ Heirs have had life-altering events occur in their lives.
- ◆ Relationship with successor trustees, executors and/or attorneys-in-fact have changed.
- ◆ Estate value has substantially increased or decreased.
- ◆ Have recently bought, sold or reallocated the assets of your financial portfolio.
- ◆ Are experiencing new health challenges.

This is by no means an exhaustive checklist. If you have any questions whatsoever regarding changes to your estate, please call our office.



contact us

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