

WHICH OF YOUR CLIENTS NEED ESTATE PLANNING?

Important scenarios to consider for your clients BY GARY ALTMAN, ESQ.

Which of your clients need estate planning? The short answer: all of them! Estate planning is about much more than curtailing taxes, it's about your future, in life and in death. Illness, disability, marriage, blended families, special needs planning, gifting, business succession... other considerations, to name a few. **I would encourage each of your clients to have comprehensive estate planning, regardless of the value of their assets.** That being said, here are some specific examples of client scenarios that you will encounter where estate planning is especially critical:

- **Your clients have Federal taxable estates (over \$5,340,000).** Their primary concern is often reducing Federal estate taxes, which can take 40% of the estate over \$5,340,000.
- **Your clients live in Maryland or Washington, D.C.** These clients may be concerned about the estate tax in Maryland or D.C., even if they do not have an estate in excess of \$5,340,000. Estates in Maryland or D.C. could have estate taxes as high as 16% of the estate over \$1,000,000.
- **Your clients live in Virginia.** There is no estate tax in Virginia. However, if a Virginia client owns real estate in a state that has an estate tax, like, D.C., Maryland, New Jersey, New York, Connecticut, Minnesota and

others, then that Virginia client could be subject to estate tax in these other states, if their total estate (including Virginia and non-Virginia real property and assets) is over \$1,000,000.

- **Your clients have handicapped children.** A "special needs trust" can provide for the beneficiary and still keep the beneficiary eligible for public assistance. Keeping the child on SSI and Medicaid is often a primary concern of these clients.
- **Your clients do not like their son-in-law or daughter-in-law.** Trusts for children can be created to keep to these clients' assets in their bloodlines.
- **Your clients have children who have spending, drugs and/or alcohol problems.** Trusts for these children, controlled by an independent third party, can insure that these clients' assets are used appropriately by future generations.
- **Your clients have remarried or may remarry after his or her spouse dies.** Trusts are sometimes created to insure that a new or second spouse will not be the recipient of the clients hard work and savings.

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- **Your clients are in poor health and concerned about protecting their assets from nursing home costs.** Frequently, these clients are also concerned about who will make health care decisions and financial decisions for them in the event they are incapacitated. Documents such as powers of attorney, advance medical directives, living wills, and HIPAA Releases are often used to provide for substitute decision-making.
- **Your clients are elderly and are concerned that someone, like a child or a third party, may take advantage of them.** Advanced planning can prevent future financial abuse.
- **Your clients feel strongly about avoiding probate.** Probate is the court procedure to prove the Will, to make sure all creditors get paid, to provide a forum for anyone wishing to contest the Will, to pay probate costs, and, lastly, to distribute the remaining assets to their heirs. With proper planning, the costs, delays, and frustration of probate can be avoided.

At Altman & Associates, we recognize that every client has unique estate planning goals. *Therefore, it is our belief that every client deserves an individualized estate plan, tailored specifically to their family situation and assets.*

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For more than twenty years, we have served as a trusted legal advisor to the financial planning community. We want you to be informed about the various estate planning options available, so that when your clients come to you with questions, you're prepared to answer them. We welcome you to bring your client in for a free, no-obligation consultation to discuss their estate plan. We are also pleased to offer estate planning “Lunch-n-Learns” for you and your colleagues, where we can discuss a range of estate planning topics relevant to you and your clients. More information on scheduling those can be found on our web site, www.altmanassociates.net, along with a host of other resources and information for both you and your clients.

For the latest information on estate planning, follow our blog, *Altman Speaks*.

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