



Extraordinary commitment.

PROTECTING YOUR FAMILY: ESTATE PLANNING

Presented by:

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LAST WILL AND TESTAMENT

Definition

- Document that determines who is to receive your property at death
- Designates your choice for Executor, Guardian and Trustee
 - ▲ Executor: files the Will with the Surrogate Court, pays final bills and taxes, and distributes the remaining property to the beneficiaries
 - ▲ Guardian: Custodian for minor children
 - ▲ Trustee: holds property for the beneficiaries, who may be a minor or disabled

What Happens Without A Will?

State law says who your family members are, and how much of your estate each family member receives

Property Included

- Only property in your sole name
- Not property that is owned jointly with right of survivorship
- Not life insurance, annuities, pension or retirement funds
- Not property transferred into the name of a trust during lifetime

ESTATE PLANNING

Tax Considerations

- Federal Estate Tax: imposed on the fair market value of whatever a person owns at death and whatever the form of ownership

- Federal Exemption Amount:

2005.	\$1,500,000
2006-2008.	\$2,000,000
2009.	\$3,500,000
2010.	No estate tax
2011	\$1,000,000

Tax Considerations - continued

- New Jersey Inheritance Tax
 - Spouse, Descendants, and Ancestors 0%
 - Brother and Sisters 11%
 - Everyone else 15%

- New Jersey Estate Tax
 - Imposed when value of property exceeds \$675,000
 - Begins at 37%

Non-Tax Considerations

- Spouse
- Children
- Special needs beneficiaries
- Other relatives or friends
- Charity

LIFETIME PLANNING

Durable Power of Attorney

- Document that allows a person that you name (your Agent) to handle your financial affairs
- Usual powers: write checks, deposit checks, transfer money between accounts
- May also include authority to sell real estate, handle business interests, or to make gifts
- Ceases at death

Who should have a Power of Attorney?

- Everyone who wants to choose the person to handle their financial affairs if they were disabled
- Alternative is Guardianship

Advance Directive

- Health Care Power of Attorney: designates an Agent to make a medical decision for you, if you are unable to do so yourself
- Living Will: statement of your wishes regarding end-of-life situation
- Alternative - Guardianship



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