

Creating a Plan for Effective Wealth Transfer

Investors often concentrate on accumulating assets, but how much time and energy is spent on preserving those assets for future generations? Generally speaking, not nearly enough. Have you considered any of the following strategies to help pass along your estate to your heirs?

Nuts and Bolts of Estate Planning

Many people don't begin thinking about transferring their assets until retirement. In reality, effective estate planning is an ongoing process -- often best begun at a much younger age. At the very least, you should have a will to ensure that your final wishes are known. If you have dependent children, also consider naming a suitable guardian for them. After determining the value of real estate, cash-value life insurance policies, and assets held in retirement and investment accounts, a more encompassing plan may also be necessary.

Using Trusts as a Planning Tool

Trusts may be an appropriate mechan-

ism for preserving accumulated assets, and there are many types from which to choose. In certain cases, utilizing a trust can even facilitate the passage of assets from one generation to the next free of estate and gift taxes.

Recent changes in estate tax laws resulting from the passage of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 highlight the importance of revisiting your estate plans on a regular basis to ensure that they are up to date and take into account the most current estate tax exemptions and limits. For example, did you know that the estate tax rate for the next two years is 35% with a \$5 million exclusion amount?

This article just scratches the surface of strategies available to investors for effectively transferring wealth. Contact your financial advisor and estate planning attorney to discuss these and other suggestions to make the most of your assets -- for both you and your heirs.

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