



ESTATE PLANNING: HOW CUMMINGS & LOCKWOOD CAN HELP

A Private Clients Group Article

Client Questions	How Cummings & Lockwood Can Help	Client Benefits
How do I avoid my assets passing to unintended beneficiaries or being reduced in value by unnecessary taxes or unsound investments?	We can help you design a Will or Revocable Trust (or Living Trust) that will minimize taxes, enable you to make crucial decisions regarding the distribution of your assets, and provide for the protection of your loved ones in the event of your death.	Provides for financial security and family harmony; helps avoid some of the expenses and delays associated with the estate settlement process; ensures that your surviving spouse will have the assets they need for support.
How can I plan for the management of my property should I become incapacitated? How can I plan for the transfer of my property in the event of my death?	<p>We can help you structure an estate plan which minimizes expenses and complications for your family.</p> <p>Through a Durable Power of Attorney and other legal documents, we can help you designate individuals to manage your affairs so your loved ones are not burdened with the responsibility should you become incapacitated.</p> <p>Through the use of a Will and Trust, we can implement your instructions for the distribution of your property upon your death.</p>	Delivers peace of mind that your family will be protected and reduces the financial and emotional costs for family members.
How do I select an individual whom I can trust and rely on to manage and administer my affairs in the event of my death or incapacity?	We can help you understand the roles of an Executor, Trustee and Guardian to help you identify the right people to manage your affairs, thereby minimizing conflict and controversy as to whom should fill this role.	Gives you confidence that there will be continuity in the management of your estate and assurance that your wishes regarding medical and financial matters will be followed.

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How do I reduce, rather than merely defer, the payment of estate tax?	We can help develop a “tax-efficient will” plan that includes an Estate Tax Sheltered Trust that utilizes the estate tax exemptions available to both your estate and your spouse’s estate.	Provides that the assets in such a trust are available to the survivor during life but are not included in his or her estate at death.
How do I avoid the necessity and cost of a court-appointed guardian or provide for the management and protection of my children’s inheritance beyond the age of majority?	We can help you establish a Revocable Trust, whereby the Trustee of such trust would manage the trust funds and distribute them to your children as needed, until each child reaches the age you selected for outright receipt of his or her inheritance.	Serves to limit your children’s access to their inheritance until they are mature enough to manage the funds properly and spend them wisely.
How can I maximize my grandchildren’s inheritance?	We can help you take advantage of exemptions from the Generation-Skipping Transfer Tax, which is imposed on transfers to grandchildren and their descendants, whether the transfers are made directly to them as gifts or bequests, or from certain trusts for their benefit.	Can help you achieve dramatic tax savings for your family.
How can I avoid having a court-appointed Guardian or Conservator named to manage my affairs in the event of my incapacity?	We can help you develop an estate plan that enables you to select the individuals who will manage your affairs should you become incapacitated.	Gives you increased control over who will manage your assets if you cannot do so yourself.
How can I avoid the imposition of additional federal estate taxes since my estate plan has already taken full advantage of the available exemptions and deductions?	We can help you leverage exemptions through lifetime gifts of assets that are likely to appreciate in value or generate substantial income in the future, thereby removing the appreciation and income from your taxable estate.	Avoids the imposition of federal estate tax on the growth and income of gifted assets from the time of the gift to the time of your death.
How can I give assets away but not give the gift recipients immediate control over the gifted assets?	We can help you establish an Estate Reduction Trust for the beneficiaries, and with proper planning, you can include your spouse as a beneficiary of such trust, if desired.	Reduces your estate while limiting your beneficiaries’ access to their inheritance until they are best able to manage the funds properly and spend them wisely.

How can I avoid estate taxation on the death benefits of my life insurance?	We can help you establish an Irrevocable Life Insurance Trust that will hold your life insurance policies, thereby removing the death benefits of those policies from your taxable estate while still allowing your family to receive those benefits.	If you transfer your life insurance in this manner and live for at least three years after doing so, the insurance proceeds will avoid estate taxation at your death, regardless of how large either the insurance proceeds or the balance of your estate may be.
How can I devise an estate plan that can be revoked or changed at any time during my lifetime, as well as serves to guard against my future incapacity?	We can help you develop a Revocable Trust that identifies a Trustee to take over and manage your assets for you if you are no longer capable of doing so. In addition, the Revocable Trust would provide instructions for the distribution of your property (and the establishment of any desired trusts) at your death. The Revocable Trust could be changed by you at any time during your lifetime.	A Revocable Trust agreement can avoid the need for the court appointment of a Guardian or Conservator to manage your assets if you are incapacitated. At your death, a Revocable Trust can help avoid some of the expenses and complications associated with probate of a Will and may result in state income tax savings for your beneficiaries.
How can I ensure that my children from a prior marriage receive my property at my spouse's later death?	We can help you establish a Marital Trust to make certain that property earmarked for your surviving spouse passes at your spouse's later death to your children or other beneficiaries you select.	Prevents your spouse from designating other beneficiaries for your property after your spouse's death.
How can I donate to my favorite charities and minimize my estate taxes?	We can help you establish a foundation or Charitable Trust to maximize your charitable gifts and take advantage of tax deductions that are not available to other gifts. In particular, we look at the benefits of charitable gifts made during your lifetime where they often yield greater tax savings than do similar gifts made at death.	Provides personal satisfaction and financial benefits both during your lifetime and as part of your legacy.