

## Goldman's "Golden Rules" of Estate Planning – Part II - *Trusts & Estates and Elder Law Newsletter*

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#### 10. **"Never look a gift horse in the mouth"**

- Don't forget gifting as part of your estate plan.
- Federal unified gift and estate tax exemption amount is \$5,340,000 in 2014.
- Annual exclusion gifts – \$14,000 per year, per donee.
- Gifts for education and medical expenses don't count toward \$14,000 annual exclusion.
- Discounted gifts – gifts of a limited partner interest or an LLC interest – (a) need to substantiate the discount (e.g., appraisal), (b) the strategy is carefully scrutinized by IRS, (c) watch out for "business purpose" and control tests.
- After ATRA, 2012, need to weigh benefit of estate tax savings through gifting v. loss of stepped-up basis for donee for income tax purposes.

#### 11. **"But the greatest of these is charity"**

Charitable bequests can satisfy your charitable inclination and save you money as well.

- Outright bequests,
- Charitable remainder trusts,
- Charitable lead trusts.

#### 12. **"It's time to hang em up"**

Pay attention to proper designation of retirement plan and IRA beneficiaries to maximize income tax benefits.

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- Designated beneficiaries,
- Don't name estate,
- Spousal rollover,
- Stretch IRA,
- Use of trusts.

### 13. **"I got the power"**

- Signing a general durable power of attorney allows you to name an agent to make financial decisions for you and can avoid costs and hassles of a guardianship proceeding in the event of a disability.
- "Springing" power of attorney only becomes effective on the occurrence of a triggering event (e.g., certification of disability by your regular physician (or other licensed physician)).

### 14. **"Living well is the best revenge"**

- Make sure to execute a health care document or documents to name an agent to make medical/health care decisions for you if you are unable to do so.
- NY – Health Care Proxy, Living Will.
- NJ – Advance Directive for Health Care.
- You can set forth your wishes regarding use of "heroic measures" if you are in a "terminal" condition – do you want mechanical respiration, artificial nutrition and hydration?
- Organ donation.
- Failure to make your wishes known can result in lengthy, painful family disputes.

### 15. **"Nobody's perfect!"**

- Don't put off implementation of your estate plan until you develop the "perfect" plan.

### 16. **"It's never too late"**

- Even if you haven't done any estate planning yet, do it now. You could save your family a bundle and avoid headaches after you're gone.