IS IT TIME TO REVIEW YOUR PLAN?

Periodically reflect on your Life & Estate Planning goals, and review your legal documents as circumstances in your life change. Use this checklist of life changes or activities that could alter your estate-planning needs as a starting point.

- Marriage, remarriage or divorce
- Death of a spouse
- Substantial change in total asset value
- Death or incapacity of an executer, guardian or trustee
- Move to another state
- Acquisition of real estate in another state
- Birth or adoption of a child or grandchild
- Serious illness of a family member
- Change in business interest of retirement
- Change in insurability for life insurance
- Marriage or divorce of a beneficiary
- Change in beneficiary attitudes
- Financial irresponsibility of a beneficiary
- Change in tax laws
- More than two years since last review of plan with attorney

You need a qualified estate planning attorney to draft the legal documents that create an estate plan for you. Contact the Law Office of Thomas J. Hansen today at 847.292.1800 and get the experience you need.

Note: Nothing in this publication is intended or written to be used, and cannot be used by any person for the transactions or matters addressed herein. You should always seek advice from independent tax advisors regarding the SAME. [SEE IRS CIRCULAR 230.]

THOMAS J. HANSEN, J.D., C.P.A

Thomas Hansen was born in Chicago, Illinois and grew up on the South Side of Chicago and Park Ridge, Illinois. Thomas lives in Park Ridge, with his wife and three children.

Thomas received a Bachelor of Science in Accountancy from Northern Illinois University, a Certified Public Accountant Certificate from the University of Illinois, a Master of Science in Taxation from DePaul University, a Juris Doctor with Distinction from John Marshal Law School.

Thomas is a member of the Illinois Bar Association, Chicago Bar Association, the Northwest Suburban Bar Association, American Association of Attorney-Certified Public Accountants, National Academy of Elder Law Attorneys, Illinois Society of Certified Public Accountants, and the American Institute of Certified Public Accountants.

Before starting his practice in 1996, Thomas previously was employed by the Internal Revenue Service for over twenty-three years: five years as an Internal Revenue Agent, five years as an International Examiner, and over thirteen years as an Appeals Officer. Since 1996, Thomas has limited his practice to resolution of tax controversies, estate planning, asset protection, and Medicaid Planning.

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Estate Planning

WHO NEEDS ESTATE PLANNING?

Estate planning isn't about how much money you have, it's about protecting what you have for you, during your life and for those you love, after you're gone. It ensures what you have gets to the people you love, the way you want, when you want.

If you were to die today, are you comfortable everything will be taken care of the way you wanted? Estate planning is legally ensuring things will be handled the way you want by providing sufficient instructions.

Estate Planning really is for everyone. It doesn't matter if you have $40,000 or $400,000. You still have to plan for the future. Whether it's to name a guardian for your minor children or ensure your children don't blow through your assets if you unexpectedly die or become disabled (Terri Schiavo case).

Estate planning can only be done by attorneys, such as:

- Will
- Health Care Proxy
- Living Will
- Power of Attorney
- Revocable Trust
- Probate-avoidance Trust
- Asset Protection Trust
- Multi-generational Tax-saving Trust
- Tax-saving Charitable Trust
- Private Family Foundation

WHAT IS ESTATE PLANNING?

If you were to ask 10 adult Americans this question, you would likely get 10 different answers. Even otherwise financially savvy people seem confused about estate planning. Most erroneously equate estate planning with death planning. They think estate planning is limited to arranging for the ultimate distribution of their assets at life's end. Due partly to this confusion and partly to good, old-fashioned procrastination. It is little wonder that seven out of ten adults Americans have no estate plan at all.

In reality, the ultimate distribution of your assets is but one of many important elements to successful estate planning. Your estate plan would involve a lifetime process of your loved ones and your hard-earned assets from three fundamental estate planning challenges: unnecessary probate, confiscatory taxes and unpleasant surprises.

Unnecessary Probate

Probate is the court process that takes care of people and their assets when they no longer can make their own personal, health care and financial decisions. You have two opportunities to experience probate: at incapacity and at death.

The law says every adult American is responsible for their own personal health care and financial decisions. Such decisions include everything from where to live to when to die (e.g., authorizing or withholding/withdrawing health care treatments.) to filling tax returns to real estate transactions. What happens, though, if a stroke, a car wreck or advanced Alzheimer's leaves you disabled to the point of legal incapacity? Who will make your decisions for you? Will it be someone you know and trust? The answer is no...unless you make proper estate plans in advance of such tragedy.

In reality, a Will is your admission ticket to the probate court and only has legal effect when accepted by the court as valid. Like the incapacity probate, the death probate is the default plan for people who fail to make plans to avoid it. Similarly, in the death probate process you may expect to pay some potentially unnecessary costs, expose your personal situation and financial matters to the public and place your assets under the ongoing control of the probate court for six months to a year or more.

Confiscatory Taxes

Which tax can take the biggest bite out of your estate assets? Is it the income tax, the capital gains tax or the estate tax? It's the estate tax. While no one enjoys the income tax with a top marginal rate of 35 percent or the capital gains tax with a top rate of 20 percent, most are shocked to learn that the estate tax is more than 40 percent. Even more disturbing is that this is a final tax on assets that have already been subject to income and capital gains taxes..oftentimes repeatedly during one's life.