ATTORNEYS AT LAW
THE ANDERSEN FIRM
A PROFESSIONAL CORPORATION

New York Office
110 E. 37th Street
New York, NY 10016

South Florida Office
500 East Broward Boulevard
Suite 1600
Fort Lauderdale, FL 33394

West Florida Office
7273 Bee Ridge Road
Sarasota, FL 34241

Tennessee Office
862 Med Tech Parkway
Suite 200
Johnson City, TN 37604

E-MAIL:
clientservice@
TheAndersenFirm.com

TOLL FREE:
866.230.2206

Please visit our website for the full version of the monthly update:

TheAndersenFirm.com

Financial Advisor Current Events Update
November / December 2014

I. Reflection of the Month

Keep Your Focus Steadily On What You Want.

"Drag your thoughts away from your troubles…by the ears, by the heels, or any other way you can manage it." - Mark Twain

What you focus your mind on greatly determines how things play out. You can focus on your problems and dwell in suffering and a victim of mentality. Or you can focus on the positive in situations, what you can learn from that situation or just focus your mind on something else entirely.

It may be “normal” to dwell on problems and swim around in a sea of negativity. But that is a choice. And a thought habit. You may reflexively start to dwell on problems instead of refocusing your mind on something more useful. But you can also start to build a habit of learning to gain more and more control of where you put your focus.

II. On the Lighter Side

Mrs. Agren, the 5th grade math teacher, posed the following problem to one of her classes:

"A wealthy man dies and leaves ten million dollars. One-fifth is to go to his wife, one-fifth is to go to his son, one-sixth to his butler, and the rest to charity. Now, what does each get?"

After a very long silence in the classroom, Little Mikey raised his hand.

The teacher called on Little Mikey for his answer.

With complete sincerity in his voice, Little Mikey answered, "A lawyer!"

III. Where Not To Die In 2015

By Ashlea Ebeling, Forbes

Moving to New York to avoid state death taxes? Really. John McManus, an estate lawyer in New Providence, N.J., has a retired client pulling in $500,000 a year in income, with second homes in Florida and the Hamptons, who is planning to change his residence from New Jersey to his New York house in the Hamptons. Driving the decision: the sweeping changes New York made to its estate tax regime this year.

“When your bordering state is telling you, ‘Come on over!’ the pitch is compelling,” McManus says. “If New York has a more welcoming tax scheme, then people will say, ‘Let’s call me a New York resident.’” McManus says that he and his wife might make the New York move in retirement themselves; they already have a place in the West Village they rent out for now.

The tally of death tax jurisdictions remains the same for 2015—19 states plus the District of Columbia–but eight states are ushering in changes in 2015. The states are lessening the death tax bite by increasing the amount exempt from the tax, indexing the exemption amount for inflation, and eliminating “cliff” provisions that tax the first dollar of an estate. Added to the mix, there’s action afoot in New Jersey to keep up with the pack. “[Gov. Chris] Christie can’t run for President with the worst estate tax exemption in the country,” says New York City elder lawyer Bernard Krooks, adding, “He has to say he tried.”

First, here’s the current state of the law. The federal estate tax exemption of $5 million per person, indexed for inflation, is now permanent. For 2015, the exemption will be $5.43 million, up from $5.34 million in 2014, predicts tax research publisher Wolters Kluwer, CCH. That means up to $5.43 million of an individual’s estate will be exempt from federal estate tax, with a 40% tax rate applied to any excess over the exemption amount. By contrast, states with estate taxes typically exempt far less per estate from their tax and impose a top rate of 16%. As in the federal system, bequests to a spouse are tax-free.

New York and Maryland made the biggest changes. The Maryland legislature acted first. The new law gradually increases the amount exempt from the state estate tax from $1 million this year, to $1.5 million in 2015, $2 million in 2016, $3 million in 2017, and $4 million in 2018. Finally, in 2019 it will match the federal exemption which is projected to be $5.9 million.

Still there's a big catch in Maryland for some: even if no estate tax is due, depending whom you leave your assets to at death, a separate inheritance tax may be assessed. Spouses, children (and their spouses and children), parents, and siblings are all exempt from the state inheritance tax, but a niece or aunt or friend, for example, would owe the inheritance tax at a rate of 10%. Maryland and New Jersey are the only two states that have an inheritance tax in addition to an estate tax.

New York's sweeping changes were instituted immediately, doubling its exemption amount from $1 million for deaths before April 1, 2014 to $2,062,500 for deaths from April 1, 2014 through April 1, 2015. Like in Maryland but on a faster timetable, the New York exemption is set to rise gradually through 2019 to eventually match the federal exemption. By April 1, 2017 the New York exemption will be $5,250,000.

Other states where the exemption amounts are climbing include Tennessee, Minnesota and Rhode Island. Tennessee's estate tax is on its way out; the exemption is $5 million for 2015, and it's repealed as of Jan. 1, 2016. Minnesota's exemption is climbing steadily; it will be $1.4 million in 2015, going up to $2 million in 2018. Rhode Island bumped its exemption amount from $921,655 this year to $1.5 million in 2015. The $1.5 million will be indexed for inflation. Also a big deal: Rhode Island eliminated a "cliff" so the tax only kicks in on amounts above the $1.5 million exemption amount.

A cliff is one problem with the New York law. If a resident's taxable estate exceeds the basic exemption amount by more than 5%, the entire taxable estate will be subject to the state estate tax. The New York State Department of Taxation and Finance issued a summary memorandum on the new law last month available here. What's not spelled out is the dramatic effect of the cliff, says Sharon Klein, managing director of Family Office Services & Wealth Strategies with Wilmington Trust. She provides this example: A taxable estate of $2,062,500 would pay no tax, but a taxable estate of $2.1 million would have a $49,308 tax liability—more than the $37,500 increase in the value of the estate.

Other states indexing their exemptions for inflation like Rhode Island are Washington, with a base exemption of $2 million, and

Hawaii and Delaware, which both match the federal exemption amount.

We'll be watching several bills recently introduced in New Jersey to eliminate the state's estate and inheritance tax. New Jersey has the lowest state estate exemption amount at $675,000. "It's time for New Jersey to get back to reality that these taxes are burdensome on so many levels," says Daryn Iwicki, New Jersey state director for Americans For Prosperity, which pushed for the phase-out and 2016 repeal of the Tennessee estate tax. "Folks who own a $500,000 home, a 401(k) and a car don't realize they're affected until it's too late," he says, adding, "You can get sucked into this estate tax trap is what it boils down to." Reality check: the two taxes combined bring in nearly $760 million of the $32.5 billion state budget.

Anti-death tax advocates in Rhode Island are vowing to do more in their state, buoyed by this year's initial victory. "We're happy with this first step, but we'd like to see the complete elimination of the tax," says William Felkner who sums up the opposition's position on RIestatetax.com.

There is precedent for repeal: North Carolina and Indiana did it in 2013; Kansas, Ohio, Oklahoma did it in 2010.

What's certain is that there will be more changes on the state death tax map for 2016, if not before.

IV. The United States Supreme Court Decision is Stripping Asset Protection from IRA's and 401k's

The United States Supreme Court <u>unanimously</u> ruled on June 12, 2014 in the *Clark* decision that inherited IRAs are NOT "retirement funds" and therefore are <u>not</u> protected in bankruptcy.

It is clear that IRAs are exempt for the creator of the IRA and their spouse.

Now the Supreme Court has confirmed what we have cautioned clients for years: INHERITED IRAS ARE NOT PROTECTED WHEN LEFT DIRECTLY TO A NON-SPOUSE BENEFICIARY.

This decision is precisely why you should create an IRA Inheritance Trust and name it the beneficiary of all qualified assets.

In a unanimous decision written by Justice Sonia Sotomayor, the Supreme Court, noting that the Bankruptcy Code does not define "retirement funds," looked to the ordinary meaning of the term and, after consulting the American Heritage Dictionary, concluded that retirement funds are "sums of money set aside for the day an individual stops working." The Court then identified three characteristics of inherited IRAs, which compel the finding that funds held in such accounts are not set aside for retirement:

1. The holder of an inherited IRA may never invest additional money in the account.
2. Holders of inherited IRAs are required to withdraw money from such accounts, regardless of their ages and regardless of how many years they are from retirement.
3. The holder of an inherited IRA may withdraw the entire balance of the account at any time, and for any purpose, without penalty, while a withdrawal from a traditional or Roth IRA prior to age 59-1/2 triggers a 10 percent penalty, unless an exception applies.

Overall, the Court found that funds held in an inherited IRA constitute "a pot of money that can be freely used for current consumption" rather than funds "objectively set aside for one's retirement." Accordingly, the Court concluded, a balancing of the interests of creditors and debtors must favor the creditors insofar as inherited IRAs are concerned.

By way of background, prior to the Pension Protection Act of 2006, the Internal Revenue Code permitted no one other than the participant and the participant's surviving spouse to roll money from one retirement plan to another. The Pension Protection Act added Section 402(c)(11) to the Internal Revenue Code to permit rollover to an individual retirement account by a non-spouse beneficiary.

The Internal Revenue Code does not define "inherited IRA." Rather, Section 408(d)(3), which deals with rollover contributions, says that an IRA "shall be treated as inherited if — (I) the individual for whose benefit the account or annuity is maintained acquired such account by reason of the death of another individual and (II) such individual was not the surviving spouse of such other individual."

The availability of nonspouse beneficiary rollover means the distributions from that inherited IRA can be extended over the beneficiary's life expectancy, if the original IRA owner dies before he or she was required to begin distributions, or over the balance of the IRA owner's distribution period, if distributions already commenced. However, it means that those assets will be vulnerable to bankruptcy creditors.

It is important to note that the laws of each state also provide individual protections from creditors that apply in bankruptcy situations when the debtor elects to utilize the state law exemptions, in lieu of the exclusions available under federal bankruptcy law. State law also controls in situations of non-bankruptcy judgment creditors. Some states provide special exemption for retirement funds and accounts, and it remains to be seen whether any of these state exemptions will be redefined in light of the Supreme Court decision.

While rollover IRAs can be used effectively to reduce income tax liability by spreading distribution over several years, other strategies may be preferable, particularly when the beneficiary is vulnerable to creditors. Certain trusts can qualify as designated beneficiaries for retirement plans and IRAs, and these trusts can incorporate spendthrift provisions, which provide full asset protection. Moreover, the trust vehicle can ensure ongoing management and control over ultimate disposition, while allowing flexibility in distributing assets among individual beneficiaries.

V. Selecting a Third-Party Trustee

Every trust is required to have a trustee. The most common trust is a revocable living trust where the individual and their spouse serve as trustees.

Upon death, however, the revocable trust becomes an irrevocable trust for the surviving spouse and beneficiaries. There are many other types of revocable trusts such as irrevocable life insurance trusts, legacy trusts and build up equity retirement trusts for gifting to spouses as a few examples.

The issue is who will serve as trustee. Will it be a beneficiary, a friend or family member or an independent third party. In those cases where it is desirable to choose an independent third party trustee, there are many fine institutional trustees available.

There are, however, some trusts that very few trustees want to handle. Examples of these include unfunded irrevocable life insurance trusts and domestic asset protection trusts. In cases such as these, The Andersen Firm is available to serve as trustee for both revocable and irrevocable trusts.

Trustees must have the skills to handle the technical matters that arise, including taxation, trust administration and asset management. They also need to be able to serve the lifespan of the trust, which could span generations. Furthermore, these actions must be done according to the specific document provisions and laws governing your trust.

Deciding on a corporate trustee can reduce possible personal conflicts within your family or among beneficiaries while ensuring the continuity of oversight for the life of your trust.

Benefits of Hiring a Corporate Trustee

- Avoid conflicts of interest
- Confidentiality of sensitive family financial information
- Independent & objective plan advice
- Regulatory & compliance reporting
- Ease of overall administration
- Providing consolidated asset & income statements

- Processing receipts & disbursements
- Preparing required tax forms

VI. Tipping Point for Same-Sex Marriage: Majority Now Live Where Same-Sex Marriage Allowed

By: Stephen C. Hartnett, J.D., LL.M., Associate Director of Education, American Academy of Estate Planning

Federal Judges in many states have ruled that the state bans on same-sex marriage violate the federal constitution. In many of those states, the cases are on appeal. The U.S. Supreme Court refused to hear appeals from the Fourth, Seventh, and Tenth Circuit U.S. Courts of Appeals decisions which had struck bans against same-sex marriage in Indiana, Oklahoma, Utah, Virginia, and Wisconsin. Thus, those states are added to the list of states allowing gay marriage, bringing it to 25 (plus the District of Columbia). Here is the complete list, in the order in which the state first allowed same-sex marriage:

- Massachusetts
- California
- Connecticut
- Iowa
- Vermont
- New Hampshire
- New York
- Washington (state)
- Maine
- Maryland
- Rhode Island
- Delaware
- Minnesota
- New Jersey
- Hawaii
- Illinois
- New Mexico
- Oregon
- Pennsylvania
- Colorado
- Indiana
- Oklahoma
- Utah
- Virginia
- Wisconsin

(In addition to the states listed above, the District of Columbia allows same-sex marriage.)

Those Courts of Appeals, whose decisions striking same-sex marriage bans were allowed to stand by the U.S. Supreme Court, also cover many other states with current same-sex marriage bans. The Fourth Circuit covers North Carolina, South Carolina, and West Virginia while the Tenth Circuit covers Kansas and Wyoming, all of which have same-sex marriage bans. So, bans in those states will be falling in the near future. (No state in the Seventh Circuit has a gay marriage ban intact.) Here is a geographic territorial map of the U.S. Courts of Appeals.

The U.S. Supreme Court appears to be staying out of same-sex marriage decisions, at least until there is a split in the Circuits.

Now, 54% of the country lives in one of the 25 states and the District of Columbia which allow same-sex marriage.

VII. Income Tax Issues After the Death of a Spousal Joint Tenant

By Margaret Conway

Several recent circuit court and tax court cases provide further support to Gallenstein v. United States on the estate tax treatment of spousal joint interests (1992 CA6, 70 AFTR 2d 92-5683, 975 F2d286) created prior to 1977. All of these decisions hold that the full value of jointly held spousal property is includable in the estate of the spouse who contributed to the purchase of the property. Therefore, a survivor of such an interest that did not contribute toward the purchase of the property is entitled to a full step-up in basis for the property upon the death of the contributing spouse. These precedents are particularly noteworthy, as the IRS instructions for the Federal Estate Tax Return, Form 706, continue to require the inclusion of only one-half of the value of spousal joint property, regardless of which spouse purchased the property or when the joint interest was created.

Tax advisors for estates with pre-1977 qualified joint interests may wish to consider these precedents when preparing the decedent's estate tax return. Where the surviving spouse did not contribute toward the acquisition of the property, the tax advisor may wish to override the calculations indicated on Schedule E and report the full fair market value of the property on the return. The tax advisor should be prepared to document this position. The surviving spouse would then utilize this full step-up in computing the taxable gain or loss when the property is eventually sold. In the event that the noncontributing spouse dies first, following the instructions to Schedule E will result in a 50% step-up in basis. Although this may be contradictory to the precedents set forth in the cases discussed above, the IRS would be forced to challenge a taxpayer following its own instructions.

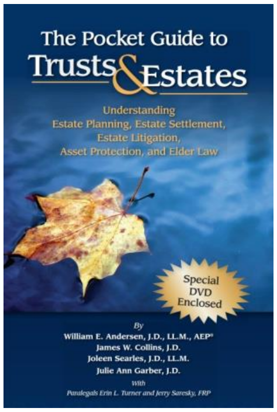
VIII. Q & A Corner

Continuing Education Requirements:

The Andersen Firm is required to post all attendees for a CE session within 3 weeks of completion of the workshop. Please confirm your CE throughout the year as we are unable to back-date attendee participation.

VIV. The Pocket Guide to Trusts and Estates

Bill Andersen, Joleen Searles, Julie Ann Garber and Jim Collins with Erin Turner and Jerry Saresky have released their collaborative book ***The Pocket Guide to Trusts & Estates: Understanding Estate Planning, Estate Settlement, Estate Litigation, Asset Protection and Elder Law***. If you have not already received your complimentary copy, call Angela Christian today at 866.230.2206 and she will send you your personal copy. Books can be purchased on Amazon.com as well.



X. Estate Planning With a Non-Citizen Spouse - By Bill Bischoff

These days, it is not uncommon for U.S. citizens who live in this country to be married to non-citizen spouses who also live here. Or two non-citizens may get married while living here. In tax lingo, non-citizens who are permanent U.S. residents are termed resident aliens. Unfortunately, standard estate tax planning advice that works for most married couples will not necessarily work when one or both spouses are resident aliens. Here's what you need to know if this is your situation.

Federal estate tax basics: In general, American citizens and resident aliens alike are covered by the same set of federal estate tax rules. If you die in 2014 with a taxable estate worth over $5.34 million, the IRS wants 40% of the excess.

Thankfully, the federal estate tax can often be minimized or avoided with advance planning. The most common drill is to bequeath (give away at death) some of your assets to your children and grandchildren (either directly or via trust arrangements) while bequeathing the remainder to your surviving spouse.

For example, say you are a married American citizen or a resident alien with an estate worth $7 million. You can completely avoid the federal estate tax by bequeathing $5.34 million to your children and bequeathing the remaining $1.66 million to your surviving spouse—as long as your spouse is a U.S. citizen. In fact, you can bequeath an unlimited amount to your spouse federal-estate-tax-free if he or she is a citizen.

Alternatively, you can gift away an unlimited amount to your spouse before you die—provided he or she is a U.S. citizen—without any federal gift tax bill.

This privilege of being able to make these unlimited tax-free wealth transfers to your spouse is called the unlimited marital deduction. Taking advantage of this privilege is the key element of most estate and gift tax planning strategies.

The potential problem with a non-citizen spouse: Unfortunately when your spouse is not a U.S. citizen, the unlimited marital deduction privilege is unavailable. That is true regardless of whether or not you yourself are an American citizen. Going back to the preceding example, let's say that you pass away this year and bequeath $5.34 million to your children and the remaining $1.66 million to your non-citizen spouse. The amount going to your kids is federal-estate-tax-free thanks to your $5.34 million federal estate tax exemption. But there's no shelter for the amount going to your non-citizen spouse. So the federal estate tax hit is $664,000 (40% x $1.66 million). Ouch! If you bequeath your entire $7 million estate to your non-citizen spouse, the federal estate tax bill is the same $664,000, because the first $5.34 million is sheltered by your federal estate tax exemption while the remaining $1.66 million is unsheltered and taxed at 40%. Ouch again! This is bad news if you've been (wrongly) assuming that you qualify for the unlimited marital deduction privilege.

What to do: There are several ways to get around the non-citizen spouse estate-tax dilemma. Here are some tax-saving moves to consider.

First, you can make sure you marry an American citizen. This is a potential solution if you are currently single, but obviously not very practical if you are already married to a non-citizen.

Second, your spouse can become a citizen. That can take place after you've died but by no later than the due date for filing the federal estate tax return for your estate (the deadline is generally nine months after your death). As long as your spouse attains citizen status before the deadline, the unlimited marital deduction deal is available, which means your spouse can be left an unlimited amount free of any federal estate tax hit. However, your spouse may not want to become a U.S. citizen for various reasons. For example becoming an American citizen might require renouncing one's home country citizenship, which could affect the right to own property in that country.

Another idea is to gradually reduce your taxable estate by making substantial gifts to your non-citizen spouse while you are still alive. Such gifts are eligible for a larger-than-normal annual exclusion. For example, the exclusion for 2014 is $145,000 (compared with the standard $14,000 exclusion for 2014 gifts to other folks). By taking advantage of the larger-than-normal annual exclusion, you can gradually transfer wealth to your non-citizen spouse without incurring any federal gift tax and at the same time whittle your taxable estate down to the point where it will be sheltered by your federal estate tax exclusion ($5.34 million for 2014).

A fourth potential solution involves setting up a qualified domestic trust (QDOT). The QDOT can be formed under the terms of your will, by the executor of your estate after you have passed on, or by your surviving spouse. Basically the assets inherited by your spouse go into the QDOT. Then the federal estate tax on the value of those assets is deferred until your spouse takes money out of the QDOT or dies. At that point, the QDOT assets are added back to your estate for tax purposes, and the deferred federal estate tax bill comes due. In other words, the QDOT arrangement only defers the federal estate tax hit. It doesn't reduce the amount that ultimately must be paid to the U.S. Treasury. However, if your surviving spouse becomes a citizen, he or she can then take all the assets in the QDOT, and the deferred tax bill will go up in smoke. In effect, your spouse is treated as if he or she had been a citizen all along.

The bottom line: The non-citizen spouse estate tax threat can potentially affect many well-off couples. Thankfully, the threat can often be mostly or completely disarmed with advance planning. You may need assistance from an experienced estate planning pro to get the job done right.

COMMENTS: The Andersen Firm is available to assist clients, Financial Advisors and other financial professionals in comprehensive estate planning. Call Shannon Ferguson, Angela Christian or Shannon Jones at 866.230.2206 to organize a time that works for your schedule.

XI. What's Almost as Certain as Death? Not Talking About the Inheritance by New York Times Paul Sullivan

If there is a boogeyman when it comes to family conversations about inheritance, it is not death. That happens whether people talk about financial plans or not. It's the $40 trillion that financial advisers say their baby boomer clients are going to pass to their children either in an orderly way — or in a chaotic mess.

A report by UBS on why families should talk about inheritance confirms the reluctance of people to talk about death and money.

It's easier to have a will (83 percent of respondents have one) than discuss the will with your children (about half have) and harder still to tell them what the assets are (34 percent of respondents have).

Wealthy and less wealthy people are equally bad at talking about their plans with their children. (Fifty-five percent of people with more than $1 million talk to their children about an inheritance, while 53 percent of people with less than $1 million do.)

And most parents want the transfer of money to their children to go smoothly (84 percent), without creating bad feelings among siblings (66 percent.)

Martin Halbfinger, a private wealth manager at UBS Wealth Management, said clients typically didn't talk about inheritance with their children for four reasons. They don't want to confront dying. They are uncomfortable disclosing financial matters to their children. They don't want their children to know how much they're going to receive, lest it curb their motivation. And they are concerned about their heirs' financial acumen.

Of course, the logic of all four excuses is easily refuted. But there is a bigger issue making the conversation about inheritance more angst-ridden than it was for previous generations.

"We just lived through an incredible era of wealth accumulation that is going to turn into one of the biggest topics out there today, which is how much money is going to be passed on from parents to heirs," said Mr. Halbfinger, who has been a financial adviser for 37 years. "The generation before the baby boomers never dreamed how much money they could have accumulated. Now there is a critical need to plan more properly."

Like other areas of life in which there is strong data that should be dictating our behavior — like cigarette smoking, global warming and baseball statistics — people know what they should do but still struggle mightily to do it.

Here are some lessons on some of the more common problems that arise when conversations about inheritances do not go as smoothly as they might.

SIBLING NEGOTIATIONS Getting parents to discuss inheritance plans is surely difficult; getting them to put a plan in place that will not cause years of fighting among their children can be even more challenging.

Janet, 58, who is retired and lives outside of Boulder, Colo., said her older sister marshaled their parents to make plans for their six children, one of whom has special needs. The process has taken eight years and her parents, who are in their 80s, are still not finished.

"Neither one of my parents is college-educated," said Janet, who asked that her last name not be used to protect her relationship with her siblings. "They're smart people, but they've never been trained in financial matters. It took a while for them to understand it."

She said the estate was valued at about $3 million and her parents chose to divide it equally among the six siblings. This sounds fair but it's not the best way to do it, she said. She and the sister who initiated the conversation do not need their share; her brother with the medical problem needs more than one-sixth to pay for the lifelong support system he needs. She is the executor for his special needs trust.

"Recently the conversation came up that instead of giving him merely one-sixth of the liquidated assets in cash, why don't you give him one house and one-sixth of the remaining assets," she said. "My parents kind of liked that idea because they're concerned about him having a roof over his head. But I anticipate that if that comes to fruition there could be some disagreement among the other siblings."

Janet said some of her family members felt little sympathy for this brother and wanted their full share of their parents' money.

"People will be upset about it, but we can hide behind the codification of their wishes," she said. "If they decide to give him an unequal share in the form of a house, my other sister and I will just hide behind what they want. We can say we've disagreed with them for 40 years," she said, referring to her parents.

While this sentiment doesn't evoke tender feelings, there is a pragmatism to it that works. The parents have put their wishes down on paper, and there will be no surprises when they die and their children receive their shares.

TOUGH DEAL Fighting among children is always unpleasant for parents. But when what children might fight over is something that cannot be split, a resolution becomes more challenging. A prime example is a memory-packed vacation home.

Sheri Rothenberg, a 70-year-old lawyer in Chicago, said she and her husband started talking to their two children, both in their 30s, about their plans a few years ago.

"Both of our children are very attached to our summer cottage in Sawyer, Mich.," she said. "It was still very important to them even though my daughter lives in Los Angeles and my son is in Washington, D.C. They have wonderful memories of it."

But she knew only one of them could get it.

The daughter, who works for a firm that does risk management for hedge funds, will get the cottage, Mrs. Rothenberg said, because "she'll always have more money than my son and houses need maintenance."

Her son, who runs a small think tank, will get two rental properties of similar economic, but no sentimental, value. "It was an easy choice and he understood it, I think," she said, adding that there was another practical reason for the choice. "My son's wife is highly allergic to many things and the summer cottage is surrounded by trees of all sorts." At least with this family, there will be no surprises. "One of my goals is not to leave a mess of anything," she said.

SILENT TREATMENT Joshua Burke, 28, of Brooklyn, said he could never imagine asking his parents, who live in San Diego, about their estate plans.

"Both sets of my grandparents have passed away in the last five years and the inheritances were handled by my parents," he said. "I was not in the loop on that. I haven't spoken to my parents about inheritance."

Nor does he plan to do so. "My father has told me they have a plan in place," Mr. Burke said. "I trust that my father is not lying to me."

A potential heir's reluctance to ask for more detail is common and understandable. "They don't want to be perceived as greedy," said Paula Polito, chief client officer at UBS. But she had words of encouragement for reluctant parents: "If you focus on your death, you're not going to want to have this conversation. If you focus on my kids having peace of mind, it's different."

For Beverly Hicks, 65, disclosing everything to her executor was essential — even though she is divorced and has no children or siblings. It comes from her experience with the estate of her mother, who died in 2003. It took Ms. Hicks, who lives in Antioch, Tenn., nearly two years to get her mother's estate settled, even though it was modest and her mother had told her where everything was.

When her stepfather died, decades earlier, he left everything to her mother, but Ms. Hicks learned that no one had changed the titling of the assets since then, from certificates of deposit to ownership of their home.

"I had to go to court three times to get it handled," she said. "I had to run an ad in the newspaper. I had to take copies of the will to the bank to get the CDs straightened out."

This was not what she had imagined happening, since her mother had been so open. “I thought truly that if anything ever happened I would know where everything was and it would be handled,” she said. “One detail can make the biggest difference in the world.”

COMMENTS: The Andersen Firm is available to assist clients, Financial Advisors and other financial professionals in multigenerational estate planning and many of the issues surrounding working with a client’s family. Call Shannon Ferguson, Angela Christian or Shannon Jones at 866.230.2206 to organize a time to speak with a knowledgeable attorney that works for your schedule.

XII. Flowcharts – Explaining Estate Planning to Your Clients

Many of our financial advisors have requested flowcharts to explain Estate Planning to their clients. They are available for you to download directly from our website at TheAndersenFirm.com. Call us if you have questions or need our assistance in working with you and your clients.

1. Foundational Planning: The Basics

2. IRA Inheritance Trust: Planning For Qualified Money

3. Qualified Personal Residence Trust: Getting The Value of Your Homes Out of Your Estate

4. Irrevocable Life Insurance Trust: How To Hold Insurance

5. Build Up Equity Retirement Trust: Spousal Gifting Trust

6. Legacy Trusts: Gifting To Children and Grandchildren and Others

7. Grantor Deemed Owner Trust: How To Hold Large Insurance Policies

8. Wyoming Close LLC: For Asset Protection and Gifting

9. Wyoming Domestic Asset Protection Trust: The Best Domestic Asset Protection Available

10. Florida Domicile Checklist

11. Multigenerational Planning

XIV. The Andersen Firm Areas of Practice

Estate Planning

- At The Andersen Firm we have planned for a vast array of estates ranging in size from a few hundred thousand dollars to a hundred million dollars, all the while realizing each specific case is different and requires specialized attention.

Estate Settlement

- The process of settling an estate can be difficult and emotionally painful for the family and loved ones of the deceased. It is our goal at The Andersen Firm to ensure that the process be handled with compassion, expedience, professionalism and expertise, while protecting the rights of all parties involved. If the circumstances surrounding a client’s estate require probate, our attorneys offer extensive experience in handling the processes and legalities involved.

Estate Litigation

- Our lawyers are not only skilled at handling cases involving estate and trust disputes, they draw on a thorough knowledge base of the specific procedures surrounding these issues. The Andersen Firm can efficiently take each case through to completion realizing that full blown litigation often can be avoided if we work diligently to come to resolution.

Asset Protection

- For some, putting an Asset Protection Plan in place is advisable in order to attempt to remove the economic incentive to be sued and also to try and increase the ability to force an early settlement in the event a suit is filed.

Elder Law

- The three major categories that make up elder law are (1) Estate planning and administration; (2) Medicaid, disability and other long-term care issues; and (3) Guardianship, conservatorship and commitment matters, including fiduciary administration.

XVII. Estate Litigation

Estate attorneys at The Andersen Firm represent beneficiaries, trustees and personal representatives in various jurisdictions dealing with estate litigation and probate litigation matters. A will contest challenges the admission of a will to probate or seeks to revoke the probate of a will that is already pending before the probate court. A similar type of estate litigation can take place contesting the terms of a trust. The most common causes of action in both will contests and estate litigation can be found at www.TheAndersenFirm.com or call us at 866.230.2206.

XVIII. Mail Away Estate Plans

If a client is in another state, unable to travel, on vacation, a snowbird or another situation that would prevent them from meeting with an attorney in person, The Andersen Firm attorneys are able to design, draft and execute estate plans via telephone conference and mail away documents.

XIX. Good-Bye and Hello!

Pat Bowman is retiring from The Andersen Firm. She has been with the Firm for over 11 years and has held nearly every position in the Firm with the exception of the attorney role.

She has been an invaluable Team member and we will all miss her.

Pat, along with other Team members has selected Angela Christian to be the new incoming Director of Professional Alliances. Angela has been with the Firm for over 8 years. Many of you already know her. She has a proven track record of excellent client and financial advisor services and looks forward to working with you. She is easily available to you any time.

Many of you have spoken with and know Shannon Ferguson. Shannon has been promoted to Client Services Coordinator and will assist both clients and financial advisors.

“We have a wonderful Team and look forward to serving and working with our clients and financial advisors by providing the Ultimate Client Experience" says Ms. Christian.