



## Don't Procrastinate. "Plan for Life" Today™

Investing in an estate plan is not just about planning for death. Life has a way of presenting the unexpected when you least expect it. A sound estate plan ensures you have control over how assets managed and how healthcare issues are addressed.

Carr Law Group clients often express the peace of mind they have for their surviving spouse and other family members knowing their loved ones have been spared making these difficult choice. Lee R. Carr II, attorney-at-law, is a competent, experienced attorney and will guide you to understand the options and choices you have so that you can make an informed decision. Estate planning is about managing risk. It doesn't have to be rocket science and it provides tremendous value and peace of mind.

Here are ten recommendations to consider before planning your estate.

### **1) Most people benefit from having a last will and testament.**

If you pass away with assets in your name only, those assets must be dealt with in probate court. We use your last will and testament as the 'prime directive' about how your assets will be distributed after your death. Plus, if you have minor or dependent children, your last will allows you to name guardians for them. In addition, if you die without a will (intestate), this can be costly to your heirs and leaves you without any control over who gets your assets. Even those who decide to include a trust in their plan should have a pour-over will as part of their plan.

### **2) Not having a will or a trust may not accomplish your goals.**

If you pass away without a will, in Florida it is called an intestate estate. Florida's intestacy laws can frustrate a person's intent because the law and not you will determine how asset distribution occurs. For instance, do you intend for your spouse to inherit your estate? If you pass away without a will and you have children from a previous marriage, your spouse will only inherit one-half of your estate. Children from a previous marriage will divide the other half. This is just one possible pitfall of passing away without a good plan.

### **3) Prevent hard or hurt feelings, relative in-fighting and irreparable disputes among your heirs by putting in writing your wishes for them.**

Without written directions about how assets should be distributed, families often struggle with who is entitled to the estate assets. A lack of written direction can cause dissention and conflict. We recommend you create a plan for your heirs so they know your intent about how you want things distributed. Some families even have a discussion or a party to discuss what items of personal property (collectibles, family heirlooms, and other items of sentimental value) they would like to have. Once you know their feelings you can make decisions that encompass their wishes when possible.

## ***PLAN FOR LIFE***

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**4) A basic estate plan consists of several documents you will want to consider.**

In Florida they include: a last will and testament; a durable power of attorney; a designation of health care surrogate; and a living will. For many people, a revocable living trust may also make sense. When putting together a plan, you and your attorney should evaluate the impact of federal and state laws governing estates.

**5) It's not only important to understand "what" you have but also to determine "who" will help you if you cannot help yourself.**

Such a plan ensures that your family is protected and financial goals are met whether because of death or if you become unable to make decisions for yourself.

**6) Know what your assets are.**

Knowing the nature and extent of your assets is important. Assets include your investments, retirement savings, insurance policies, stocks, and real estate or business interests. These can also include items of personal property, art, coin or stamp collections as well as rare antiques.

**7) The federal estate tax exemptions now set permanently at \$5 million indexed for inflation.**

In 2013, estates under \$5.25 million are exempt from federal estate tax. Amounts above \$5.25 million are taxed up to a top rate of 40%.

**8) You can give gifts during your life and reduce estate taxes at the same time.**

If you are gifting to an individual (donee), in 2013 you may gift up to \$14,000 a year without having to file a gift tax return. If you are married and giving a gift with your spouse, you and your spouse may give up to a total of \$28,000 to each individual donee.

**9) Revocable Living Trusts are used to avoid the time and expense of probate.**

Trusts provide the legal arrangement that allows a trustee to administer assets for a beneficiary. Trusts are designed to avoid probate which allows heirs to obtain assets quicker and more privately than in the probate process. Avoiding probate saves time, money, and other court fees. Trusts are very flexible and can be used by you to determine how, when, and to whom you want your assets distributed. Some people decide to distribute according to pre-set time frames (certain amount at age 20, 25, etc.). Importantly, by having a successor trustee named in the document, a trust can be used to avoid guardianship if the current trustee (you) loses the capacity to manage their own affairs.

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**10) Charitable gift-giving or foundations you wish to support now or after your death can be administered through a trust.**

If you want to donate assets to your favorite charitable fund or foundation, you can designate how much, when, and whether to release funds to your chosen nonprofits before and/or after you die.

So to begin, ask yourself three simple questions:

- 1) Whom do you want to inherit your assets?
- 2) Whom do you want handling your financial affairs if you're ever incapacitated?
- 3) Whom do you want making medical decisions for you if you become unable to make them for yourself?

## **Additional Resources**

What are probate assets?

Do I really need a Will if I am married?

Do you need a Will if you have a Trust?

Protect your medical wishes before it is too late.

Why you must select a trusted person as power of attorney.

Do I really need a living trust?

Should you consider early long-term care planning?

*If you would like to receive additional resources,  
please email us at [info@carrlawgroup.com](mailto:info@carrlawgroup.com).*

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