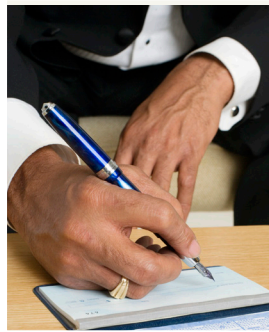


# LAWYER FOR

KEEPING YOUR FAMILY HEALTHY, WEALTHY & WISE

## ENHANCED CHARITABLE GIVING THROUGH LEGACY PLANNING



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Creating an estate plan is about much more than simply making a will or trust; it's about leaving a legacy which reflects your values and beliefs—especially your charitable or philanthropic values. One effective way to accomplish this is to make charitable giving a part of your estate plan. You don't have to wait until the end of your life, however, to make your charitable contribution; current tax rules can allow any philanthropically-minded person to give more to a favorite charity right now, all it takes is a little research and the help of a qualified estate planner.

While there's nothing wrong with giving cash to your favorite charity, you'll be able to give much more to the causes that mean the most to you (as well as see more savings on your annual tax bill) by giving appreciated assets instead. These appreciated assets can include anything from stocks with long-term gains, to profitable real estate, to artwork or collectibles.

Keep in mind that while giving appreciated assets such as real estate, collectibles, or the like may be more profitable (for you and for the charity) than simply giving cash, it won't be quite as simple. This kind of giving can be complicated, with a lot of specific requirements that you'll want to discuss with

your attorney, but in the end the benefits can be significant for all involved.

If your interest lies in long-term rather than one-time-only giving then you may want to consider setting up a donor advised fund through which you can contribute a large sum at one time (thereby lowering your taxable income for the year) but spread the charitable benefits over several years. This particular method of charitable giving lends itself perfectly to the long-term legacy planning that so many clients prefer.

Our office can help you establish your fund through a community foundation or a financial institution, and can help ensure your charitable fund is adhering to all necessary IRS rules and maintaining comprehensive written records.

We know that creating an estate plan and financial plan is about much more than simply providing for your family monetarily. Designing these plans can also be about exploring your family's values, continuing to give to the causes that have been important to you throughout your life, and perhaps encouraging your children or grandchildren to know the joys of giving as well. In this way you can leave a financial legacy that will last for generations.



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# A BETTER WAY TO LEAVE AN INHERITANCE TO IRRESPONSIBLE CHILDREN



Most parents (even parents of adult children) want to provide for their children—but not necessarily right away, and maybe not all at once. Recent studies have shown that more and more parents are choosing not to hand big inheritances to their children immediately when they turn 21. Instead, these parents are waiting until the kids are in their 30s and 40s before handing them the keys to the kingdom.

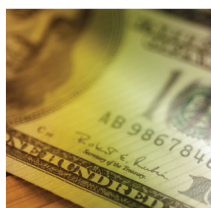
The reason for this delay is that more and more parents are coming to realize that there is a learning curve associated with handling large sums of money, and dropping a large inheritance in your child's lap may be giving him or her more than can reasonably be handled at one time—essentially setting the child up for failure. It has been found that premature distributions to heirs can have the same effect as the jackpot has on lottery winners. In

cases such as this the money becomes a burden instead of a boon, and may even hinder the child from growing into the responsible adult most parents hope to raise.

Fortunately, if you don't want to bequeath a fortune to your children all at once, you have a number of options for ensuring your children are provided for and eventually receive the inheritance you intend for them. One successful strategy we recommend is passing an inheritance to your child through either a revocable or an irrevocable trust.

A revocable or irrevocable trust allows a parent to transfer assets to their children while still retaining control of when and how the assets will be distributed. Of these two options, a revocable trust can provide more flexibility, while an irrevocable trust can provide more asset protection; although both kinds of trusts provide a measure of each.

Either trust option allows parents the option of simply keeping the inheritance in trust until the child reaches a certain age, or distributing funds slowly over the course of time, in order to better acquaint the recipient with the responsibilities of wealth. However you choose to structure your estate plan, our firm can help you accomplish your goals for yourself and for your children.



# ESTATE PLANNING WITH A CHRONIC OR TERMINAL DISEASE

Our firm knows full well that each family that comes into our office will have unique circumstances and unique estate planning needs—this is especially true of families in which one member has a chronic or terminal disease such as cancer, diabetes, multiple sclerosis, or the like.

For most people, the documents in their estate plan constitute a “someday” or a “what if” scenario, but for anyone with chronic or terminal diseases the documents in their estate plan address issues that are much more immediate and certain. For this reason, it is absolutely essential for individuals suffering from chronic or terminal illness to take control of their estate planning, health care, and financial affairs right now.



Here are some of the ways our firm can help you accomplish this goal:

- Customize your estate planning documents; including your will, trust, or healthcare directive.
- Discuss and draft important forms for you to sign right now, while you still can.
- Help you to make use of your temporary or limited powers options in your healthcare and financial documents, giving your chosen agents the limited power while you are temporarily incapacitated to do small but necessary tasks such as pay your bills and file your taxes.
- Find advisors who are comfortable discussing your situation, can help you customize your plans to fit your needs, and who can communicate and work as a team.

Living with a chronic or terminal disease is a unique situation and requires unique planning and preparation—planning that is best done right away, for the good of your family and for yourself. If you have questions about estate planning with a chronic or terminal disease please don't hesitate to contact us, we can answer your questions and help you prepare for whatever the future may hold.





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## PERSONAL LETTER

Dear Clients and Other Friends:

The beginning of a new year causes us all to think about changes we'd like to make and things we would like to accomplish. Estate planning is something that clients tend to put off. As you can probably imagine, January can be a busy month in our office with so many clients resolving to create or update their estate plans in the new year. This issue of our newsletter has three articles that highlight a specific reason to do some planning.

This year we have the \$5 million gift tax exclusion as an added incentive to do planning. This exclusion will reduce to \$1 million at the end of the year unless Congress passes a law to extend it. Lately it seems that our Congress is unable to pass legislation, especially where taxes are concerned, so I encourage you to call us to discuss this planning opportunity before it goes away.

I wish you health and happiness in 2012.

Warmly,

*Kirsten Howe*

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