



## estate planning—protect what's yours



Whether you are being assisted by an accountant this tax season, or whether you are one of the brave individuals who go it alone, you understand you cannot wait until April 14 if you want to be effective in protecting what is yours. The same can be said for estate planning; you cannot wait until it is too late! For at the heart of both is asset protection.

In establishing your estate plan, strive to accomplish at least six goals. Depending on your individual circumstances, an effective estate plan can satisfy one, some or all of these goals.

### Goals of Asset Protection

- Planned distribution of assets upon death
- Reduce or eliminate federal and state estate taxes
- Protect estate from creditors and litigation
- Reduce personal income taxes
- Avoid probate
- Accomplish charitable giving

### I have a simple Will...isn't that enough?

No it isn't! While a simple Will allows you to control the distribution of your property and to

nominate a guardian for your children, it does little to address the other five goals. For example, it is possible to incorporate an estate tax savings component into a Will. One of the most effective estate plans for a married couple is to have a Will which incorporates a tax credit shelter trust that is formed at the death of the first spouse, and which is funded up to the exemption equivalent amount of \$1,000,000. This format allows a married couple to pass up to \$2,000,000 to their heirs free of federal estate tax. Charitable giving can also be made a component of a Will, whether it is an outright charitable bequest, or a more sophisticated type of charitable giving.

Serious consideration should be given to a Durable Financial Power of Attorney when you draft your Will. This document appoints an agent to manage your assets should you become incapacitated. The primary benefit of this document is to keep you outside of a legal guardianship proceeding.

### Can I avoid probate?

Yes, but a Will does not avoid probate. In many instances, avoiding probate in estates valued at less than the \$1,000,000 exemption can be accomplished through the proper use of joint tenancy or survivorship marital property ownership, payable on death, transfer on death or other beneficiary designations attached to assets. A probate proceeding can also be avoided through the use of a Revocable Living Trust. In Wisconsin, it is possible to have one Revocable Living Trust utilized by a married couple. All of the goals that can be accomplished by a Will can be accommodated within a Revocable Living Trust, but without the need for a court proceeding. In almost any large estate, a

Revocable Living Trust will be beneficial, especially when it is combined with a tax credit shelter trust at the death of the first spouse.

### Haven't death taxes been eliminated?

No! A deceased spouse can leave his or her entire estate to the other surviving spouse free of death tax, regardless of its size. If an estate is left to any beneficiary other than a spouse, it is currently exempt from a federal estate tax up to the level of \$1,000,000. This exemption from federal estate taxes will increase through the year 2009 to \$3,500,000. In the year 2010, the federal estate tax will be eliminated. However, if Congress leaves the current law intact, the federal estate tax will *reappear* as of January 1, 2111 on any estate that is larger than \$1,000,000. In order to deal with this constantly fluctuating death tax landscape, estate planning practitioners can take the tax credit shelter trust format and insert it into a Will or Revocable Trust on a discretionary basis.

In large estates, when the combined value of assets exceeds the exemption amount, more sophisticated planning is available, such as an Irrevocable Life Insurance Trust, a Family Limited Partnership, or a Charitable Remainder Trust, to name a few.

Not every estate requires utilizing all of these estate planning techniques. A knowledgeable estate planning attorney can work with you to determine what your estate planning goals are and how to accomplish them. Through such advance planning, you can protect the estate you've worked so hard to build and provide peace of mind for your family.

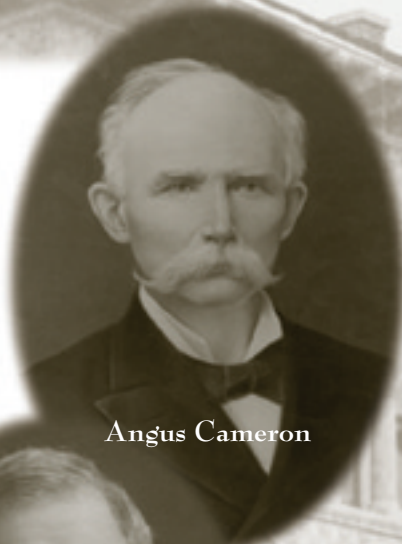
*Information provided by: Attorneys from Moen Sheehan Meyer, Ltd. For more information, call (608) 784-8310.*



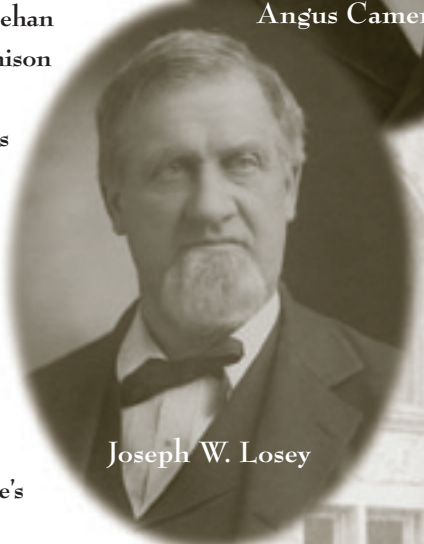
**M**ost settlers in La Crosse's early days had little use for lawyers in resolving disputes. Truth was, if someone made assault upon the "life, liberty and pursuit of happiness" of another, the only remedy was often the pistol, with the disagreement decided by who could draw the quickest. Until around 1850, this *was* the prevailing justice.

In 1853, the first law firm, now known as Moen Sheehan Meyer, was established in La Crosse by William Dennison and James Lyndes. It is rich with history. Dennison died in a skirmish with a farmer after tramping across the farmer's field in Mormon Coulee *one time too many*. In 1859 Lyndes went on to become mayor of La Crosse. Firm attorney Joseph W. Losey was known in his day for representing the Burlington Railroad, who laid tracks down the middle of Second Street late one night while city officials were unavailable. Partner Angus Cameron became a U.S. senator.

Moen Sheehan Meyer, with 12 attorneys, is La Crosse's oldest law firm, still serving you from its downtown offices...not too far from those famous Second Street railroad tracks. Trust them to be there for you.



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