



“TRUSTWORTHY”

A Free Estate Planner's Email Newsletter by Lawrence J. Robertson, P.C.
Attorney at Law

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AVOID PROBATE AND SAVE TAXES WITH LIVING TRUSTS

Contact Us

We're on the Web:

www.ljrobertson.com

Email:

larry@ljrobertson.com

Address:

Lawrence J. Robertson

13321 N. Outer Forty

Suite #300

Chesterfield, MO 63017

636-532-9933

TAX RELIEF ACT OF 2010 – IT IS THE LAW OF UNINTENDED CONSEQUENCES

On December 17 Congress passed and the President signed into law new tax legislation re-enacting the Federal Estate Tax (Death Tax). But the Death Tax will, at least for the years 2011 and 2012, apply only to estates that exceed \$5 million net worth at death, (or \$10 million for married couples).

The unexpectedly large exclusion amount means that, for most Americans, at least during 2011 and 2012, Federal Estate Taxes will no longer be a concern. Of course, the deaths must also occur in those years so that this advantage applies.

Larry Robertson

Financial Advisors and Estate Planning Attorneys Must Meet With Existing Clients to Keep These Following Consequences From Doing Harm -

Estate Planning Attorneys will now need to meet with their existing Will or Revocable Trust clients, or with new clients with existing Wills or Trusts, which may have been drafted during the past era when there was significant exposure to death taxes, so as to avoid these unintended consequences.

ONE SUCH CONSEQUENCE of old wills and revocable trusts (written between 1980 and 2010) is the now unnecessary establishment and funding at death of a “Family Trust.” These trust provisions are common in those past

documents.

Wills and Revocable Trusts with these type of provisions usually featured a “formula clause” that provided for the year of death exclusion amount of assets to be placed into the (irrevocable) Family Trust to be held until the surviving spouse’s death.

NOW under the new law, because the exclusion amount is \$5 million, **ALL** of a couple’s assets will go into one of these now unnecessary trusts and **NONE** will pass outright and free of trust to the surviving spouse.

The survivor will not have any control over those assets and receive only income from them and not enjoy the principal amount in the way that they may wish!!

In the place of these outdated and obviously complex and obsolete wills and trusts for married couples, we’ll recommend amendments so that these consequences do not befall the client.

PLEASE CALL WITH QUESTIONS AS THIS IS VERY IMPORTANT TO ALL OF OUR CLIENTS!

As always, I stand ready to assist your clients in explaining all of their Estate Planning alternatives at our **FREE consultation.**

And, as always, **I very much appreciate your continued kind referrals, Thank You!**

Sincerely,

Larry Robertson