SPECIAL REPORT

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The 10 BIGGEST Estate Planning Mistakes Retirees Make And How To Avoid Them!

Dear Friend;

There has been so much talk about the repeal of estate taxes that many people think there ***is*** no federal estate tax. This is not true. The threshold for imposing this tax was raised to $1 million per person for people dying in 2003, and the estate tax is scheduled to disappear for only one year – 2010. In 2011, the estate tax is scheduled to reappear. All this talk about repeal has caused people to make some of the most common mistakes in estate planning.

Mistake 1: Failure to have a will. Wills allow you to decide who will inherit your assets and name guardians for your minor children. If you do not make a Will, your state has standard laws, called 'intestate' laws, which will govern who will inherit. Such laws usually leave set percentages of your estate to spouse and children, and can easily not match your desires.

Mistake 2: Failure to keep your will up to date. Many state laws provide that a will is invalid if made before a major life event, such as marriage, divorce, moving to a new state, or the birth or adoption of a child. It's fairly simple to keep these updated, and they can be easily changed.

Mistake 3: Failure to keep track of beneficiaries of IRAs, qualified plans and insurance policies. These assets are unique in that you determine who will receive their benefits by filling out a form. Do you know who your beneficiaries are for these assets? If you don't, you may have left these valuable assets to someone you no longer wish to receive them.

Mistake 4: Failure to plan for the liquidity of your estate. Most people don't realize that the costs to settle their estate may require liquidity—the ability to quickly turn assets into cash. It's more than paying for a funeral. Without sufficient cash to pay taxes or other expenses, your family may have to sell illiquid assets—such as a family business or other property—at an inopportune time. Avoid putting your family in the position of having a 'fire sale' on precious family possessions by providing for sufficient liquidity.

Mistake 5: Owning everything jointly with your spouse. It's very common for most married couples to own their assets "jointly with rights of survivorship." However, if your joint net worth is $1 million or more, joint ownership could be an expensive mistake. Visit with your advisers and consider owning some assets separately as part of your overall estate plan.

Mistake 6: Naming the wrong executor and/or trustee. Executors are called upon to collect assets, pay obligations, and distribute your assets. Your trustee must enforce all the provisions of any trusts you created. Did you choose people who have the knowledge, integrity and stamina in the face of pressure from family members to fulfill these obligations?

Mistake 7: Naming the same guardian for your minor children as for the property you've left to support them. If you have any doubts that the person you've chosen as guardian has the financial acumen and integrity to manage the property you've left for your children, name a separate guardian to manage your children's property.

Mistake 8: Leaving everything to your spouse. If your net worth is high enough, this could be a costly mistake. For most people who may be subject to estate taxes, a relatively simple estate plan can save hundreds of thousands of dollars in estate taxes.

Mistake 9: Leaving the wrong assets to the wrong people. If your child was a "special needs" child, you would not leave him money to handle on his own. By the same token, don't leave too much cash to a teenager, or distribute a sizeable sum to a person with a history of substance abuse or who is otherwise unwilling or unable to manage it.

Mistake 10: Failure to plan. The future is in your control, but you have a few decisions to make. How you structure your estate will affect your family. If you're a business owner, don't forget to plan for the succession and/or buy-out of your business, too.

Above all, don't be overwhelmed. Nothing is irreversible, and you can take small steps to put your plan into place. Remember, though, that until you've taken action, you don't *have* an estate plan.