

WILLMS, S.C.

LAW FIRM

**CLIENT NEWSLETTER
JANUARY 31, 2013**

Happy New Year! Since the end of 2012, we have seen the “fiscal cliff” loom and then fade away (leaving a \$5 million estate tax exemption behind), and we have seen our representatives in Washington and our state Capitol move on and start to lay out plans for the next term. So where does that leave us? The answer is: it leaves us with the opportunity to focus on a multitude of planning concerns in addition to gift and estate taxes.

While a focus on transfer taxes is a major part of what we do as planners (and a very important part of what we do), focusing solely on those issues may cause us to lose focus of why we find it so important to minimize transfer taxes in the first place. We want to make sure we can live comfortable, prosperous lives with the ability to pay for all of our needs and at least some of our wants. We want to make sure that we maximize the amount of wealth we pass on to our heirs, and possibly guide them in maximizing how they benefit from their inheritance. With gift and estate taxes being less of a concern for many of our clients, we have time to realign ourselves with our underlying goals and make sure our estate plans match.

Avoidance of the Fiscal Cliff: The American Taxpayer Relief Act (ATRA)

Recognizing other important non-transfer tax purposes for estate planning does not mean we should discount what is a very important piece of legislation passed at the beginning of the year. Atty. Andrew Willms has authored an article entitled, “The American Taxpayer Relief Act of 2012” (found on the Articles page of our website.) As the article points out, transfer taxes were not the only type of taxes affected by this new law. The purpose of this article is to help our clients sort out what the law says and how you might modify your estate plan to take advantage of the new law.

Donating Assets to Charity

One of the main goals we see with clients is the desire to make charitable contributions either during their lifetimes or after death. There are a variety of ways to do this, each with their own benefits and drawbacks, particularly in terms of taxation, potential for future growth, and ability to control where your money goes. The attached article, entitled “[Donating Retirement Assets to Charities](#),” provides one such option in light of the newly-passed ATRA: donating retirement asset income to charity. Please note that this option is not for everyone, particularly those who plan to pass retirement assets on to heirs and who therefore would benefit from allowing their retirement assets to compound over time. However, if you are interested in incorporating charitable giving into your estate plan, please do not hesitate to contact us.

Providing for Responsible Firearm Ownership in Your Estate Plan

It has been impossible to ignore the growing debate in our country regarding the right to own firearms, including the discussion of who should have that right and how that right should be exercised. In a state with a rich history of hunting and gun ownership, we frequently speak with clients who have firearms that they intend to pass onto their heirs when they die. The input we have received from clients is that they want to be able to control who receives these firearms and ensure that they are owned responsibly in the future. One way to accomplish this in your estate plan is through the use of a "gun trust." Atty. Maureen O'Leary has authored an article on this topic that can be found in the Articles page of our website. If this is a topic that is of interest to you, and after reading the article you would like to know more, please contact Maureen to discuss your options.

Setting the Record Straight on Medicaid

Part of the estate planning work we do for clients includes helping to plan for long-term care expenses. When we meet with clients on this topic, we discuss their financial situation and what options make the most sense for them. In some cases, clients will be able to pay their own expenses. In other cases, long-term care insurance is a viable option. If neither of the previous options are possible, it may become necessary to plan for Medicaid eligibility. Unfortunately, we often lose the opportunity to help clients make the best choice for them because they have been provided incorrect information from neighbors, friends, health care workers, or other individuals who are well-meaning but not well-versed in the current law. Therefore, Atty. Jessica Liebau has authored an article which can be found on the Articles page of our website entitled, "Medicaid Planning Myths and Misconceptions," which seeks to set the record straight. If you have further questions after reading this article, or would like to learn more about how these general rules apply to your particular situation, please contact Jessica as soon as possible.

Staying Diligent and Planning Ahead

Finally, the final component of this newsletter is an article entitled, "[Get Your Estate Plan in Gear.](#)" This article discusses the considerations each person should walk through when making a financial plan and turning it into a successful estate plan. Further, it reminds us that no matter what our net worth, our age, or our family situation, each of us has something to plan for and something to protect.

Sincerely,

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If you would like to stay up-to-date with the latest developments at Willms, S.C. through LinkedIn, please visit Andy Willms' LinkedIn page by clicking [here](#), Maureen O'Leary's page by clicking [here](#), and Jessica Liebau's LinkedIn page by clicking [here](#).

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