



# Advanced Estate Planning

Presented by

## ABC LAW

A Better Choice Elder Law,  
Retirement and Estate Planning Center

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## Attorney at Law



# Advanced Estate Planning

Presented by

**Kaufmann Foundation**

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**Attorney at Law**



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## Estate Planning Institute

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# Solutions



For Single Persons and  
Married Couples  
With Larger Estates

# Problem: Estates Larger Than Unified Credit Amount Subject to 37 - 55% Estate Tax

## VALUE OF ESTATE PRELIMINARY CREDIT ESTATE TAX DUE

Estate Size	Tentative Tax	Unified Credit	Estate Tax
\$ 750,000	\$ 248,300	\$ 220,550	\$ 24,750
\$1,500,000	\$ 555,800	\$ 220,550	\$ 335,250
\$3,000,000	\$ 1,290,800	\$ 220,550	\$ 1,070,250

# Unified Credit Amounts

2000	\$ 675,000
2001	675,000
2002	700,000
2003	700,000
2004	850,000
2005	950,000
2006	1,000,000

# Ways Family Has to Pay Estate Tax

- 1. Cash
- 2. Borrow
- 3. Forced Liquidation
- 4. Advanced Strategies Done by You Now



# Advanced Estate Planning Strategies

- 1. Life Insurance Trust
- 2. Family Limited Partnerships
- 3. Planned Giving Trusts





How to Buy  
Dollars Tax Free?

Life Insurance Trust

# Life Insurance

Good News



Bad News



# Life Insurance



Good News

Least Expensive Way to  
Pay for Estate Taxes



Life Insurance

Bad News

Adds To Your

Estate Taxes

# Life Insurance Tax Free?



**Life Insurance Adds To Your  
Estate Taxes Without  
Proper Legal Documents**

**Example:**

**\$200,000**

**Life Policy**

**Could Add**

**\$100,000**

**in Estate Taxes**



# What Doesn't Work



- You Owning Policy
- Spouse Owning Policy
- Children Owning Policy

# Life Insurance Trust Makes Life Insurance Totally Tax Free





# Life Insurance Trust



**New** Life Insurance Policy

Tax Free Immediately when In  
Irrevocable Insurance Trust

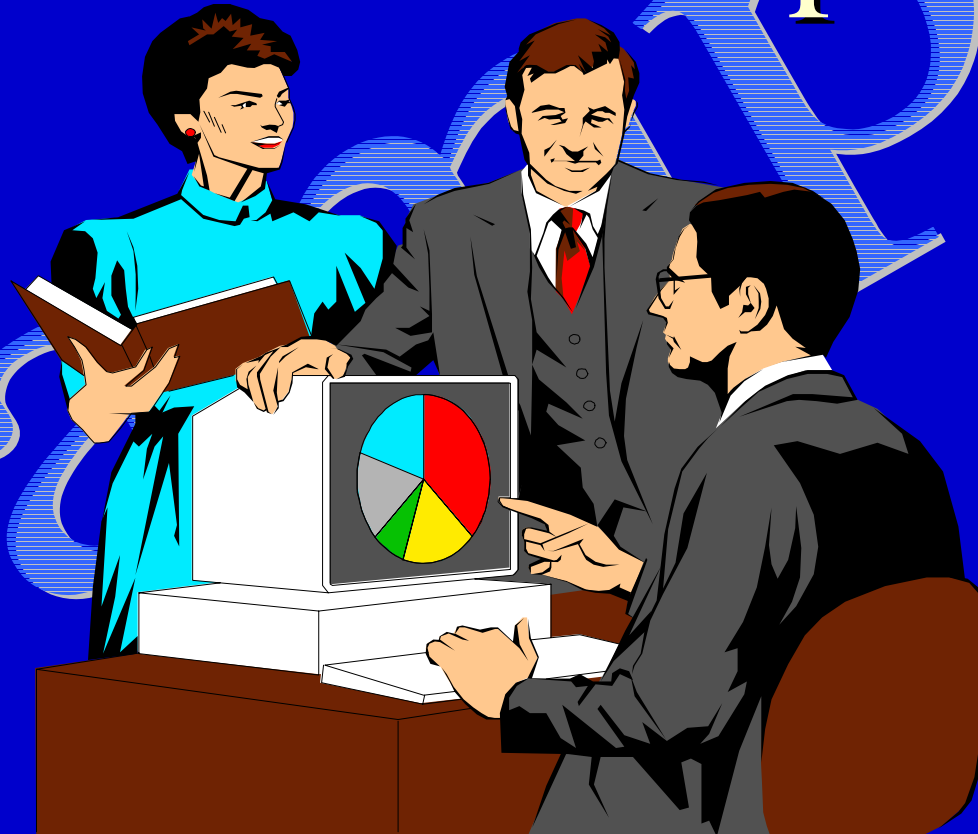
**Existing** Life Insurance

Has 3 Year Waiting Period

# Steps

- 1 Set up Life Insurance Trust
- 2 Put Life Insurance in Trust
- 3 Gift Premium to the Children
- 4 Trustees Pay Premium

# Family Limited Partnership



# Lowers Estate Taxes While Maintaining Complete Control Over Assets



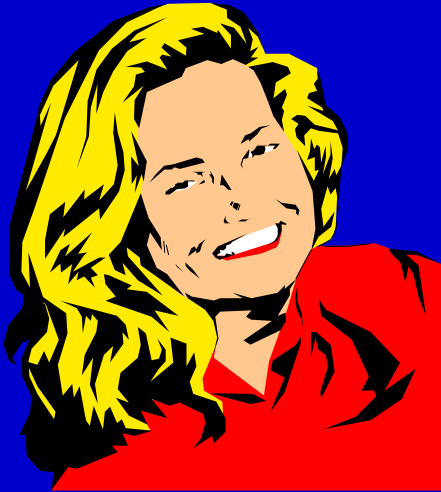


**You Are The  
General Partner(s)**

**You Have  
Total Control**

# Children Are **LIMITED** Partners





# Limited Partners

- 1. No Control Over Assets
- 2. No Right to Receive Income
- 3. Can't Sell or Give Limited Partnership Shares Away

You Give Limited  
Partnership Shares  
Each Year  
to Children



Not Cash!



Shares Given  
Lower Your Estate  
Value and Estate Taxes  
Without  
Giving Away  
Any Cash  
or Control



# All Growth From Shares Removed From Your Estate



Over Time  
Tens to Hundreds of  
Thousands of \$\$\$\$  
Removed  
From Your Estate

# RESULT

Lower Estate  
Taxes Without  
Giving Up  
Control



Win

People



Win