



Serving Clients Throughout Central Florida

SEASONAL SOLUTIONS

Life is lived in stages. And the rhythm of our lives mirrors the rhythm of the natural seasons. Whether you are in the spring, summer, autumn or winter of life, your Life & Estate Planning objectives will inevitably change. This article is relevant regardless of whether you currently have a Life & Estate plan. If you do not have a



Life & Estate Plan, it will help you appreciate the need for proper planning. If you already have a Life & Estate Plan, it will reinforce the need to keep your Plan up-to-date as you move between seasons.

Spring

In the context of Life & Estate Planning, spring begins on your 18th birthday. On that magical day you become responsible for your own personal, health care and financial decisions. The adults in your life suddenly become your peers in a legal sense.

Unless you give your parents, or other trusted adults, proper legal

authority in advance, they cannot make your personal, health care or financial decisions on your behalf should you become incapacitated due to an injury or an illness. For example, they would not be able to select a rehabilitation setting for you, have access to your medical records, represent your interests regarding the course of your treatment or even file your income tax return. The failure to make proper legal plans in advance could force you and your loved ones into the Incapacity Probate process by default, because these decisions must be made even if you are unable to make them yourself. Making proper legal

INSIDE

To everything there is a season. So it is with your Life & Estate Plan. Our front-page article uses a *Seasons of Life* theme to illustrate how your Life & Estate Plan may change with your personal and financial circumstances over your lifetime.

On page three we review the process of organizing your legal affairs to help ensure that your planning is thorough. As you will see, it is simply a matter of identifying your *Three P's*.

plans now could avoid creating potential problems for your loved ones later.

Summer

As you grow older, you may get married. It has been said that a marriage may be made in Heaven, but the maintenance must be done on earth. As part of your marital maintenance, you should review and update your Life & Estate Plan. For instance, your legal plans should be updated to appoint your spouse as the primary decision-maker for personal, health care and financial decisions. In addition, ensure

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that your separate and mutual assets would be distributed as desired should either spouse predecease, or in the event of your simultaneous deaths.

First comes love, then comes marriage, often followed by a baby carriage. If you have children, make sure your legal plans are updated to appoint back-up parents should your minor children be left without parents.

Autumn

When your children become adults, you may wish to update your legal plans and appoint your children as secondary decision-makers should your spouse be unable to serve. Consider creating Long-Term Discretionary Trusts for your children to protect their inheritance both from them and for them. Otherwise, your financial legacy could be lost to squandering, divorces, lawsuits or bankruptcies.

While you are at it, consider including remarriage protection provisions in your legal plans to protect the children's inheritance by disinheriting your surviving



spouse's next spouse in the event of remarriage.

Is a major asset in your estate a family business? To preserve both the business and your family relationships, proper business succession planning is a must. (This planning is essential, especially since family businesses have a dismal survival rate.)

Winter

Through advanced legal planning, you can even disinherit the IRS and leave more wealth to your descendants by maximizing

the Generation-Skipping Transfer Tax Exemption available under the Internal Revenue Code.

Have you made proper legal plans for the distribution of your charitable legacy to your favorite causes and institutions? In fact, many of the charitable legal plans available can help you increase your current income and offer valuable tax deductions!

Regardless, be sure to seek appropriate legal counsel to ensure compliance with tax laws. This is not a "do-it-yourself" project.



Ask Yourself ...

These Questions Regarding "Seasonal Solutions."

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|---|-----|----|----------|
| 1. I have made proper legal plans to appoint someone of my own selection to make my personal, health care and financial decisions should I ever become incapacitated. | Yes | No | Not Sure |
| 2. I have made proper legal plans to appoint back-up parents for my minor children in the event they ever become orphans. | Yes | No | Not Sure |
| 3. I have made proper legal plans to protect any inheritance I leave for my children from squandering, divorces, lawsuits or bankruptcies. | Yes | No | Not Sure |
| 4. I have made proper legal plans to protect any inheritance I leave for my children in the event my surviving spouse remarries. | Yes | No | Not Sure |
| 5. I have made proper legal plans to continue my family business upon my death. | Yes | No | Not Sure |
| 6. I have made proper legal plans to leave a financial legacy for my loved ones and a charitable legacy for my favorite causes and institutions. | Yes | No | Not Sure |

THE THREE P'S PROTOCOL

Quick. If you were incapacitated or died today, what would happen to your loved ones and your property? Who would assume responsibility to make sure everything is okay? How would anyone know your plans for the care of your loved ones and your property?

Even if you have answered these fundamental questions through proper estate planning, it is essential to review your answers periodically, because they may change over time. To help ensure that your planning and reviews are thorough, remember to cover the Three P's of proper estate planning: *People, Property and Plans*.

Your People

From the time we are born until we die, our life experience is enriched by the relationships we develop with other people. Truly, none of us is an island. Who are the important people in your life right now? Depending on your unique circumstances, your list may include your spouse, children, grandchildren (even great-grandchildren), parents, siblings, nephews, nieces or friends. Beyond these, your important people also may include religious and non-religious charities. And be sure to remember any pets, whether they have feathers, fins or fur.

Your Property

In addition to collecting relationships with other people during our lifetimes, we tend to collect relationships with property along the way. In this context, property encompasses more than just real property (i.e., real estate), including all of your assets independent of form. What property have you accumulated? Have you inventoried and valued your things, or will you send your loved ones on a very unpleasant and lengthy *treasure hunt*?

Your Plans

The foundation of every comprehensive estate plan is the selection and appointment of your successor decision-makers to make your personal, health care and financial decisions in the event of your incapacity. Likely, such successors would continue to manage your property following your death, as well. Who have you appointed as your successor decision-makers? Do they have the time and expertise to serve? Would it be wise to appoint professional assistance to help them with the details? Perhaps a professional successor decision-maker, such as a trust company or a certified public accountant, is more appropriate given your unique circumstances.

Issues surrounding the division and distribution of property can shipwreck family relationships upon the death of the property owner. Do you have sentimental, one-of-a-kind items? A recent study found that most family



fall-outs result over the failure to make legal arrangements for the distribution of such items.

In conclusion, time spent on your *Three P's* will be time well spent. Poor (or non-existent) inheritance planning can cause the loss of a family business, blended family brawls, affluenza among idle heirs (along with their divorces, lawsuits and bankruptcies) and unnecessary dissipation of your life's work due to avoidable estate taxes.

POCKET PROTECTORS

Tips to help you protect your pocket!

Be Prepared!

Picture this. You are minding your own business on the highway, staying in your own lane, wearing your seat belt and driving exactly the posted speed limit. Bang! Out of nowhere the driver beside you decides to change lanes ... into yours. In the blink of an eye you are careening off the shoulder, down an embankment and into a shallow ravine. Everything is fading as you lose consciousness. When the Emergency Medical Technicians arrive how will they know who you are and whom to call?

Naturally, they will look for identification in your wallet or purse. What will they find? Experts recommend carrying a laminated card (even one that is handmade) that identifies you and at least two family members or friends. Be sure to provide their phone numbers, too. While you are at it, identify at least one of the contact phone numbers on your cell phone as your ICE (In Case of Emergency) contact. Take time today to prepare for the unexpected. As the Boy Scouts put it so well: *Be prepared*.

“The wise
does at once
what the fool
does at last.”

— Baltasar
Gracian

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In this ever-changing world, it can be difficult to predict the future. Fortunately, there are many steps that you may be able to take to protect your family or your business from unnecessary harm stemming from unforeseen events. With the guidance of an experienced lawyer, these steps can help you gain peace of mind in knowing that your family or your business will be protected throughout any contingency.

At the Law Office of Vincent J. Profaci, P.A., we understand how difficult it can be to resolve complex legal issues relating to the well-being of your family or business. With more than 20 years of experience and a detailed knowledge of many legal practice areas, our attorney works to provide the detailed and personalized advice you need to address your unique concerns and pursue the most favorable resolutions possible.

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