

Trying to Hit a Moving Target – Estate Planning

It would seem that estate planning would be easy, right? After all, events in your life should have calmed down by then. Well, unfortunately Congress has other ideas. Estate Tax laws seem to change frequently, making it hard to put together an efficient estate plan.

For people dying in 2010, there was no estate tax (if they opted for this treatment). If they had died in 2009, estate assets over \$3.5 million would have been taxed at a 45% rate. For 2011, the exemption amount is \$5 million, and more importantly \$10 million for married couples. Also, the maximum tax rate is 35%.

How can you setup an estate plan when the rules keep changing? Well, you do like NASA. You do all of your calculations with the most accurate information you have, and launch. And just as important, you make periodic adjustments along the way.

There is no way to know what the estate tax laws will be when you die. One reason is that estate tax laws seem to change yearly, and you probably don't know when you are going to die. By the way, you're personal situation could be entirely different several years from now (more kids!).

So, set up a good estate plan today, but revisit it regularly. And talk to financial advisor about the need to alter your estate plan.

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