

Savvy Estate Planning Can Substantially Reduce Estate Tax Liability

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One of the primary objectives of estate planning is to reduce exposure to tax liability. Because the tax laws are constantly changing and evolving, relying on an estate plan that is several years old is a bad idea. Doing so can cost you and your heirs dearly.

Estate planning is not a once-in-a-lifetime event

I remind each of my clients that estate planning is not a once in a lifetime task. Prudent estate planning requires periodic adjustments as life circumstances change and as the law changes. And, the best way to avoid paying Uncle Sam even an iota more than you must is to have an estate plan checkup each year.

Adjustments with the help of a professional

Your [San Francisco Bay area estate planning attorney](#) will review your estate plan each year and make any adjustments which may be necessary to address changes in the estate tax laws or changes in your life. As case which illustrates the importance of maintaining a current estate plan is that of billionaire George Steinbrenner. In early 2010, there was speculation that Congress might make the estate tax an “opt-in” or “opt out” tax to solve the problems caused by the lapse in the 2010 estate tax. In response to this speculation, Steinbrenner’s estate planning attorney amended his will to give the attorney the authority to decide whether his trust would pay estate taxes in this year or not until after his wife, the beneficiary of his estate, died.

Of course Steinbrenner and his attorney had no way of knowing that he would actually die this year. But this illustrates the importance of staying abreast of [changes in the estate tax laws](#). In an effort to reduce tax liability and in anticipation of what Congress might do, Steinbrenner took the necessary steps to ensure that his estate would pay as little estate tax as possible.

Unfortunately, even the most financially savvy person simply does not have the ability to track changes in the estate tax laws or to understand how those changes might impact their estate plan. So, it's not uncommon to see estate plans that are outdated by the time the maker dies, leaving the estate and heirs facing [additional estate tax liability](#) that could have been avoided by maintaining a current estate plan.

Annual estate planning checkups help

An annual estate planning checkup is not only an opportunity to address changes in estate tax laws in an effort to reduce tax liability. It is also an opportunity to address asset protection issues resulting from changing family dynamics such as marriage, divorce, birth or death of a child, mental health issues of an heir or beneficiary, or the addiction to alcohol or drugs of an heir or beneficiary. Other [asset protection](#) issues may be related to changes in the economy, lawsuits filed against a business or an heir or beneficiary, or the bankruptcy of an heir or beneficiary.

If you live in [San Francisco, Palo Alto, Santa Clara](#), or any of the surrounding areas and would like to have your estate plan reviewed to ensure that it is up-to-date, contact me at the Law Offices of Janet Brewer. As an estate planning and probate attorney certified by the California State Bar Board of Legal Specialization, I have assisted hundreds of high-net worth clients in both formulating their estate plans and keeping them up-to-date.

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