

# Estate Planning in Cathedral City, CA: Seven Common Mistakes – Part 2

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This blog is a continuation from my last blog topic titled “**Estate Planning in Cathedral City, CA: Seven Common Mistakes – Part 1.**” The article by [Forbes](#) is worth reading if you are interested in estate planning. Below are the final 3 errors in estate planning that you want to avoid.

**5. Maximizing annual gifts. One of the best ways to minimize future estate taxes is by gifting.** You can transfer significant sums of money out of your estate, along with any appreciation, thereby reducing the tax. Even better planning would be to use your annual exclusion gifts, strategically, so that each annual gift can be leveraged into larger sums being transferred out of your estate. For more information on gifting, please read my blog titled “[Estate Planning in California: Gifting to Grandchildren.](#)”

**6. Failure to Take Advantage of the Estate Tax Exemption in 2012.** Making lifetime gifts is a simple and effective estate planning method for minimizing estate taxes. It is important to note that the current estate tax regime exclusions (which are the highest they have been in the history of estate tax) is set to expire at the end of 2012. Thus, if you can afford to do so, make some significant gifts during 2012.

**7. Leaving assets outright to Adult Children.** It is becoming more common for assets, even those being transferred to adult children, to remain in a trust for as long as possible to take advantage of the asset protection and other benefits a trust has to offer. Trusts allow you flexibility to control the assets with a set of instructions that remain once you are gone. It also helps insure that your assets are given to those you love, not to creditors or ex-spouses. For more information on trusts, please read my blog titled “[Estate Planning in California: Trusts & What you should know.](#)”

If you are interested in discussing your estate planning options, be sure to contact a qualified estate planning attorney like [Robert L. Firth](#).

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About the law office of Robert L. Firth

If you want to obtain a fresh start that will allow you to save for your retirement or your children’s college, contact [Robert L. Firth](#) to discuss the option of filing for bankruptcy protection.

*If you live in the area of [Coachella Valley of California](#) (Palm Springs, Cathedral City, Palm Desert, Indio, etc.) and you need to speak with an attorney about bankruptcy, estate planning and probate, real estate tax deferred exchanges, small business services or another important legal matter, contact the law office of [Robert L. Firth at \(760\) 770-4066](#). We are committed to providing quality legal representation to individuals and businesses facing difficult legal challenges. Our firm believes in providing compassionate service at reasonable rates.*