

WHAT IS CALIFORNIA LEGACY PLANNING?

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When you plan your estate, you make sure that your loved ones receive inheritances. This is a financial endeavor, but there are some other things to take into consideration. If you want to leave a lasting impression that extends beyond dollars and cents, you may want to engage in the process of legacy planning.

Wealth Preservation

While legacy planning is not purely about money, the wealth that you can leave behind to your loved ones will be part of your legacy. If you are a high net worth individual, you have to be concerned about the potential impact of the federal estate tax.

We practice law in California, and there is no state-level estate tax in our state, but there is a federal estate tax. This tax carries a 40 percent top rate that can significantly impact your family's financial future if you face exposure.

You can transfer unlimited assets to your spouse tax-free through the utilization of the unlimited marital deduction. Transfers to anyone else are potentially subject to taxation, but there is a \$5.43 million federal estate tax exclusion. You can transfer up to \$5.43 million tax-free.

If you are exposed to the federal estate tax, you could implement tax efficiency strategies to preserve your wealth for the benefit of your loved ones.

Family History

When an elder passes away, a great deal of information is lost. You have

memories that younger members of the family simply cannot access unless you pass them along. When you are creating a legacy plan, you may want to include an account of your family history.

This can actually be quite meaningful and personally cathartic as you sit down and record the memories that you have about family members that have passed before you.

Family heirlooms can also enter the picture on this level. The written history would be quite valuable to your loved ones, but objects tell stories in their own right. When you pass along family heirlooms to the appropriate caretakers, they can be cherished for another generation.

Ethical Will

Since biblical times, people have utilized ethical wills to record spiritual values. If you take the time to construct an ethical will, your loved ones will be able to draw from your moral values even after you are gone.

Philanthropic Acts

Your legacy can extend beyond your family if you are in a position to provide assets for charitable causes and/or nonprofit institutions. If you give to worthy recipients, you will always be remembered for your generous nature. Plus, under some circumstances, you can gain tax benefits along with the personal rewards.

Charitable trusts are sometimes utilized by people who want to give something

back, and donor advised funds are also popular. There are those who create private charitable foundations, and you may be surprised to hear that most foundations in the country are working with budgets that do not exceed \$1 million.

Educational Opportunities

Clearly, you can leave financial assets to your loved ones if you are in a position to do so. However, a windfall of money is not always a good thing for a young person who has not yet reached his or her full potential.

When you are crafting your legacy, you could provide educational opportunities for your younger family members. In so doing, you would be carving out a path toward personal achievement, and this may be the greatest gift that you can give.

There are various different ways that you can make sure that your family members have access to higher education.

Summary

Everyone is unique, and the impact that you have had on the world is something special. Your loved ones have benefited from your presence throughout your life, and if you craft your legacy appropriately, you can have an impact after your passing as well.

There are many different steps that you can take when you are devising your legacy plan. We have touched upon a number of them in this paper, but there are

other things that you can do to cast a long and enduring shadow.

If you are ready to put a legacy plan in place, schedule a consultation with a licensed estate planning attorney. Your lawyer will answer your questions, gain an understanding of your objectives, and help you take the steps that are necessary to actualize your vision.

References

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About the Author



Attorney Caprice L. Collins is a top rated Harvard Law School graduate. She has 34 years of legal experience with a successful law practice devoted exclusively to Estate/Business Planning and Trust Administration. Attorney Collins is a well-respected keynote speaker on Wills, Living Trusts, Estate Planning, Business Planning and Trust Administration. She has appeared on California's Real Estate Radio Station KTLK AM 1150 as a legal expert on Estate Planning and Living Trusts among many other notable media appearances.

Attorney Collins has substantial experience in Estate Planning for high net worth individuals using Family Limited Partnerships and other business entities to provide Asset Protection to their families. She has assisted organizations in their fundraising efforts by authorizing articles for their publications and conducting free seminars to their donors on advance Estate Planning Strategies such as Charitable Remainder Trusts, Family Living Partnerships, Irrevocable Life Insurance Trusts and Qualified Personal Residence Trusts. She also provides FREE Seminars on Living Trusts, Asset Protection and Business Planning to civic, faith-based, professional and business organizations.

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