

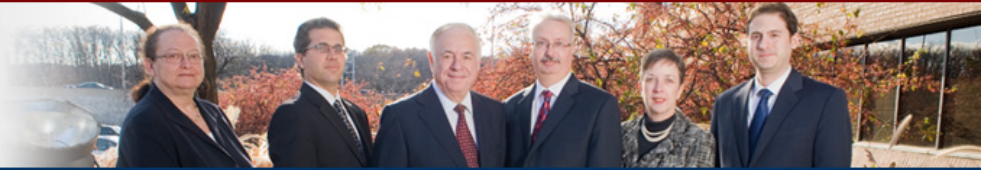
Dickler, Kahn, Slowikowski & Zavell, Ltd.

Attorneys & Counselors

Our knowledgeable staff is ready to assist you with your legal needs.

Local
847-593-5595

Fax
847-593-5632



Estate Planning

We make plans to acquire a home, automobiles, and other personal property items. We also spend a great portion of our lives accumulating cash, stocks, bonds, and other valuable items to make our lives easier and happier. We spend our lives accumulating assets, planning and saving for our families and for retirement. However, many of us give little thought or attention to the manner in which our assets will be transferred upon death. Many people want their heirs to get all their real and personal property. However, improper estate planning may cause a large percentage of one's assets to be used to cover estate taxes and probate fees. The end result may be that your loved ones do not receive the assets which you wanted them to have. Improper planning or the failure to plan may have the end result that those people you care about the most may not receive what you want them to.

Death is not a subject which we embrace and discuss daily. However, many people delay in planning their estate until it is too late. One's best intentions and wishes do not resolve the problems which arise when a person dies without a will and/or trust.

Most of us want to provide for our families. However, in order to properly provide for your family upon your death, all of your personal affairs need to be in order prior to death. We all would hope that upon our death, assets are properly in place so that our families may continue to live in the same lifestyle which they are accustomed to. In order to be sure that your family and loved ones will be able to live in a similar fashion, attend higher education and avoid financial burdens, you must plan how your estate will be passed on upon your death.

In today's complex society, accidental deaths can occur at any time. If you or your spouse are caught unprepared, the surviving spouse may not only have to deal with the loss of a loved one, but also with financial difficulties as a result of improperly planning estates.

BASIC PLANNING TOOLS

II. You may have a simple will and feel that this document is sufficient to protect you and your families' interest. This may not necessarily be true depending on the nature of your family and the size of your estate.

If you die without a will or trust, you have died "intestate". Your real and personal property, therefore, passes according to the laws of Illinois. If you die intestate, you have no control over who receives which assets. The law decides who gets what, even if this is against your wishes and requests.

Creating a properly executed will before death can alleviate some of these problems. Through the use of a

properly executed will, you can direct who is to receive each of your assets. This solves the problems discussed above. However, if your sole estate planning document is a will, your estate may be subject to probate. Probate can be quite lengthy and costly. Furthermore, depending on the size of your estate, if your only estate planning document is a will, you may be subjecting your estate to estate taxes in excess of 50%.

Why allow the Internal Revenue Service to take a large percentage of your estate upon your death if it is not necessary? If possible, would you not want your loved ones to receive your estate intact as much as possible?

III. JOINT TENANCY

Holding property in joint tenancy may solve some of the problems discussed above. Joint tenancy can ease the problems of property transfers upon the death of the first spouse. However, upon the death of the second spouse, the property will then be subject to probate and estate taxes. This may not appear to be a problem, however, the following example may help you understand the problems which can arise with jointly held property.

"John and Wendy are a married couple with two children ages 7 and 9. John and Wendy have a home which is worth approximately \$200,000 and is held in joint tenancy. John and Wendy have a automobile accident one evening and John is killed instantly. Wendy is in a coma and dies 60 days later from her injuries. Because the property was held in joint tenancy, the property passes to Wendy upon John's death. However, since there was no type of estate plan, the home becomes a portion of Wendy's estate upon her death. As a result of no estate plan, this estate must go through probate. This probate may be a lengthy process and it inevitably will eat up a portion of the money which both John and Wendy would have wanted their two young children to receive."

Joint tenancy does not solve this estate planning problem. Eventually, upon the second to die, any asset held in joint tenancy will go through probate. Furthermore, not all property can be held in joint tenancy.

IV. LIVING TRUSTS

There are estate planning techniques which can make the transfer of assets more efficient and less costly. There are documents which are called "living trusts" which can be created to alleviate some of the problems which have been discussed above. Simply put, a living trust is a document which is created into which you transfer your assets. The trust becomes the owner of your assets. However, you remain in complete control of your assets with the ability to decide how they will be used and disposed of.

The benefit of the living trust is that, if set up properly, they can save taxes. Furthermore, the use of a living trust will allow your estate to pass to your designated beneficiaries outside of probate. Thereby, avoiding the unnecessary costs of probate and the delay which results from it. Another benefit of the living trust, is that by avoiding probate, your estate does not become of public record and, therefore, the assets which you pass to your loved ones will be held privately.

Living trusts also offer several other benefits. For example, if you become disabled or are unable to handle your financial affairs, the trust can provide a procedure for family members to take over your financial affairs without a costly court proceeding. Furthermore, a properly set up trust can create a vehicle whereby assets are protected and controlled for minor beneficiaries. If you and your spouse were both to die, the trust would provide for your assets to remain in trust for the benefit and protection of your children.

These are but a few of the benefits which these instruments can provide.

V. POWER TO CONTROL ONE'S MEDICAL CARE

If you were to become seriously disabled and unable to make decisions about your medical care, would your wishes be carried out? Many of us have very strong feelings regarding our medical treatment and whether or not we would want to be sustained on life support if we had no brain activity.

Documents such as "power of attorney for health care" and "living wills" can be prepared to ensure that your wishes are carried out. These documents can specifically outline your wishes on these issues and what type of treatment you would wish to be performed if you were to come under some serious illness.

While the above issues may not be pleasant topics to discuss, a small amount of planning in advance, can alleviate enormous hardship and financial burdens for surviving family members upon the passing of a loved one.

We welcome the opportunity to discuss in detail the benefits of having a properly executed estate plan and how these documents as well as others can help you most. Please contact us with any questions which you may have.