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TWELVE OF THE MOST COMMON SITUATIONS THAT A QUALIFIED ESTATE PLAN CAN AVOID

Situation #1: Avoid Many Problems of Probate. The married couple (or single parent) wants their estate to avoid the substantial issues associated with probate. They have heard the horrors about how long probate takes and the fights that erupt over assets. Often, they have family or friends who have been involved in the probate process. You and your family can avoid the major issues associated with probate with a custom asset protection and estate plan.

Situation #2: Disabled Spouse. Most people think a power of attorney allows them to act on behalf of a disabled spouse. But in Connecticut, this isn't always the case. Connecticut requires a court-ordered conservator or a power of attorney before anyone can act for a disabled adult. An attorney can, in most circumstances, set up living trusts, which may alleviate many of the issues consistent with a conservatorship.

Situation #3: Avoid Disputes. Parents often want a custom estate plan because they want things to go smoothly among their children. If they think one child might cause a dispute, setting up a carefully designed estate plan usually avoids that problem -- and keeps the children from ending up in court before a judge.

Situation #4: Estranged Child. Unfortunately, some parents have an estranged child, a child on drugs, or a child they have not kept in touch with. They want either to give money to the child slowly over a period of years -- or to not give any money to the child. A carefully prepared estate plan will allow these parents to spell out exactly how and when their heirs receive their assets.

Situation #5: Spendthrift Child. Parents are often worried about a child spending his inheritance all at once. They want to delay the distribution of his inheritance over a period of 5 or 10 years, or more. A custom estate plan can provide unlimited flexibility for parents to allocate assets in a manner consistent with their concerns.

Situation #6: Disabled Child. This is for parents who have a disabled child on Medicaid. Medicaid usually won't allow the child to own many types of assets, so the parents want a Special Needs Trust that permits the child to get money only in certain situations. This is usually one of many reasons the parents want an estate plan.

Situation #7: High Estate Value. If the value of the estate is greater than the amount of the federal estate tax exemption, the estate will have to pay federal estate tax. The creation of a tax



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reduction based estate plan can avoid or at least minimize tax liabilities.

Situation #8: Lawsuit Protection. For married couples who want to protect their assets from all types of lawsuits. Owning assets in an entity, such as a limited liability company or family limited partnership, is often the answer. This is another good reason to set up a custom asset protection and estate plan.

Situation #9: New Residents. People move to Connecticut or New York from another state and want an estate plan that is designed for their new state of residence (State tax issues vary). A new asset protection and estate plan based upon specific state issues is often necessary when you change residences.

Situation #10: New Legal Documents. Often times, clients bring me documents, which in their opinion are valid. However, many times these documents are either no longer viable under new or changed laws or they were “limited” documents which are no longer valid for the purpose originally intended. In this regard, legal documents will need to be reviewed, & revised.

Situation #11: Kept Alive by Artificial Means. Many people are worried about being kept alive by machines. A custom estate plan includes living wills, which spell out a person’s wishes regarding medical care and artificial respiration in the case of a life-threatening injury or illness.

Situation #12: New Business. People who want to form a new business and protect their assets from any liability stemming from that business can be at an advantage by setting up a proper business entity, such as a corporation or a limited liability company.

Anthony J. Medico, Esq., has practiced law for over 22 years. To ask a question for this column, or to receive Medico’s free Estate Planning Survival Guide, visit his website at www.medicoandassociates.com, send an e-mail to Amedico@medicoandassociates.com or call (203) 661-8151. You can read most of his previous columns on his Greenwich Time estate planning blog on the internet. Just go to <http://www.greenwichtime.com/blogs> and scroll down until you find him under the business section. Enjoy.