ELITE RESOURCE TEAM

June 2016

UPCOMING EVENTS

Educational Webinar

There will be no educational webinar this month due to the in-person Elite Tax Planning Academy.

Elite Tax Planning Academy

June 13 & 14, 2016

Co-hosted with Certified Tax Coach, this educational event is designed to teach CPAs and financial advisors how to increase holistic and proactive planning, as well as learn from some of the top specialists in the country on a variety of planning topics. 16 free CPE credits offered. **Click here** to register.

ARTICLE OF THE MONTH

The Perils of Outright Distribution and Gifts

By Jonathan Mintz

"Whatever can go wrong, will go wrong."

Murphy's Law applies itself with surprising vigor in the estate planning field. If your clients are leaving outright, no-strings-attached inheritances or gifts to their beneficiaries, they are practically inviting disaster. But, there's hope. A properly designed estate plan protects a client's beneficiary and can help grow your business.

How Proper Planning Benefits Your Practice

- If assets managed by you are left outright, they can easily be transferred away after the client dies.
- You have time to build relationships with the beneficiaries while your client is still alive and well.

- Your client may be inclined to recommend that the trust be managed by you when you are proactive in the planning process and demonstrate that you have expertise in overseeing the investments for lifetime trusts.

Understanding the benefits of a lifetime discretionary trust helps build your client's confidence and trust in your relationship. Ultimately, this positions you as the trusted advisor for the client's heirs.

What Can Go Wrong with Outright Distribution or Gifts?

There are many perils with outright distributions or gifts. Here's a short list of what can (and, in many cases, will) go wrong:

- Judgment creditors can seize or garnish a beneficiary's inheritance to satisfy their claim (even if it's a "frivolous" lawsuit).
- Bankruptcy courts can seize a bankrupt beneficiary's inheritance to pay creditors and costs.
- Guardianship or conservatorship courts can impose "living probate" if a beneficiary is now or later incapacitated.
- If the beneficiary doesn't effectively plan (remember, if it can go wrong, it will), then the family will probably need to probate the estate.
- A divorce court might award some or all of a beneficiary's inheritance to a soon-to-be ex-spouse.

Many clients are unaware of these and other risks of outright distribution or gifts. But, when you understand the risks and then help to identify and proactively solve these problems for a client, your client will appreciate your insight and solution for their planning challenges. You build a long-term relationship as the trusted advisor.

THE CPA TEAM BASED MODEL

The CPA Team Based Model is a proprietary system designed to help CPAs offer more proactive and holistic services to meet the continually-evolving needs and expectations of their clients. This is accomplished with the support and guidance of a specially-trained financial advisor, along with their top-notch team of specialists provided by ERT. When this partnership is developed with the mutual goal of delivering more meaningful value to the CPA's client, and the advisor becomes the go-to resource for all of the CPA's needs, a true win/win/win is created. Learn more at: **www.elitert.com**

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402 West Broadway, Suite 400
San Diego, CA 92101
T: 888.626.9672 F: 949.209.1804
Email: info@elitert.com
Website: www.elitert.com