

# The “Daily Plan-It™”

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## How Will You Handle the Estate Tax Repeal with Your Clients?

The common thought on the automatic repeal of the Federal Estate Tax this year was that it simply would not happen.

Experts predicted Congress would institute a one-year stop gap until 2011 that provided a \$3.5 million exemption per person or a \$7 million exemption per married couple.

It's not surprising that everyone assumed Congress would do *something* to keep the so-called “death tax” alive. After all, the government is in a record deficit and needs the cash.

But instead of acting on it, Congress did nothing and the tax automatically repealed for 2010. If Congress continues to sit idly by entangled in health care proposals, the estate tax will return for 2011 with a \$1 million exemption before disappearing again.

Now what?

### Three Common Advisor Approaches

#### 1. The Educators

The first approach we see is that many professionals are quickly educating their clients on what the repeal means. The advisors are sending emails, newsletters, letters, and holding educational workshops. They are in action.

#### 2. Unsure What to Do

This second group of advisors seems confused. They are unsure how the repeal works, and they question if they should bother to learn the current law because Congress will replace it with the estate tax by the time they learn it. Their clients are just hanging out (or worse, being educated by another advisor like No. 1 above).

#### 3. Wait and See

This group is taking a “let's just be patient” approach to the whole thing. They are educating clients but they do not seem to be making any immediate changes to their clients' estate and financial plans.

### The Budget

The Obama administration has included a new estate tax bill (\$3.5 million exemption per person, \$7 million per married couple) as part of its proposed budget. The administration says it's confident there will be a new estate tax, but it's just not sure when.

### What Is Your Strategy?

Are you:

1. Educating and adapting clients' plans;
2. Confused – and so doing nothing; or
3. Educating but advising: wait and see.

At a minimum, you may want to determine which of your clients are affected by the repeal and prioritize them.

Whether you call, write or invite them to an educational workshop, just communicate with them in some way.

### Two Final Thoughts

Remember, Congress can make its reinstatement of the estate tax retroactive to Jan. 1. If one of your clients dies, and you are unsure how to advise the family, call on us.

This is not your fault. Regardless of your profession, don't let a client blame you and don't blame yourself. This is a law change. If they are upset, tell them to call their elected officials. Listening to constituents is what members of Congress are paid to do.

As always, I hope this article helps you and your clients. If you have a specific concern or case, please contact us.

## Workshop Schedule

### The Truth about Estate Planning

Usually Tuesday nights, 7:00 pm  
(Please call for current dates)



### IRA Preservation Planning

Learn how to properly protect your IRAs and what the IRA Preservation Trust can do!

(Please call for current dates)

On February 8, 2006, President Bush signed into law the Deficit Reduction Act of 2005 (DRA 2005), which included the most sweeping changes to [Medicaid](#) laws ever enacted.

### Medicaid Planning Workshop

The new Medicaid laws and some of the planning options that are still available, even in light of these sweeping changes.

Usually Tuesday nights, 7:00 pm

(Please call for current dates)

Registration: Contact Mary Lang at (847) 367-4460

<http://eblawgroup.com>

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We invite you also to direct your clients to  
[http://eblawgroup.com/FAQ\\_medicaid.htm](http://eblawgroup.com/FAQ_medicaid.htm)  
for more information on Medicaid Planning.