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This site will allow you to access Cynthia's and Chris' articles, our newsletters, directions to our offices, our seminar schedule and lots more.

## 5 Simple Estate Planning Mistakes: Catch Them If You Can

Periodic review of your estate plan can help you avoid these five errors that can deteriorate your estate plan.

### 1. Name That Beneficiary

Many people don't realize that IRAs, 401(k)s, brokerage and bank accounts, life insurance, annuities, and other assets often pass directly to the beneficiary named on the account, bypassing the will or living trust. Never assume your will or living trust covers all of these accounts. Check each account individually to make sure the correct beneficiary is named and, where applicable, a contingent beneficiary is also named.

### 2. Use It or Lose It

Many married couples forget to use their federal applicable exclusion amount twice. When one spouse dies and leaves his or her entire estate to the remaining spouse, the deceased spouse's exclusion amount is lost. Use a bypass trust to prevent this unnecessary loss.

### 3. Don't Forget State Taxes

Under current tax law, both New Jersey and Pennsylvania now have separate death taxes. While many estate plans focus on sheltering the maximum from federal estate tax, neglecting state death taxes can result in hefty unexpected tax bills.

### 4. What About Income Taxes?

Estate taxes are merely one factor in the taxation equation. Income tax considerations can be even more important in many situations. It is vital to weigh the income tax implication of any action against the estate tax benefits. Certain types of gifting, especially of appreciated assets, can result in the loss of income tax basis that can prove valuable later.

### 5. Trusts: Not For Taxes Only

Tax avoidance isn't the only reason to place assets in trust. Non-tax reasons can be just as important. Using a trust can protect a young beneficiary from squandering inherited money, or it can protect assets from being taken by the beneficiary's creditors or a divorcing spouse.

## Essential Facts You need to Know About Nursing Homes

Average life expectancies are now well into the eighties for Americans currently at age 65 (National Vital Statistics Reports, Vol. 51, No. 3). Add to this fact the accompanying medical problems of old age, and there is a good chance that many of us will need nursing home care. Paying for this care is a paramount concern. Will your savings or insurance run out before you do? Costs are now averaging \$181 per day for a private room in a nursing home. Anyone can do the math and see that a significant sum is needed to sustain a likely lengthy stay. An individual who enters a nursing home at age 70 and stays for their average life expectancy of 14 years will likely need over \$926,000 just to cover nursing home expenses, not including medical bills! Make sure you have a savings plan or long term care insurance that will ensure you can afford the best care just when you need it most.

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