



Westwood®

8 Tips for Estate Planning

 westwoodgroup.com/insight/8-tips-estate-planning/

1.

Take advantage of the benefits of lifetime gifting.

These include the \$15,000 annual gift tax exclusion amount and the unlimited gift tax exclusion for tuition/medical expenses paid directly to the provider. Moreover, appreciation in value of the gifted property will not be subject to transfer tax.

2.

Create a grantor trust to maximize lifetime gifts.

All income of a grantor trust is taxed to the grantor (instead of being paid by the trust). This allows the trust assets to grow without the burden of paying income tax.

3.

Use gifting strategies to leverage your gift tax exemption.

Grantor Retained Annuity Trusts, Installment Sale to Grantor Trusts and Family Limited Partnerships are a few options — contact a Westwood Wealth Advisor to determine which vehicle is right for your legacy.

4.

Incorporate a tax-efficient charitable giving strategy into your estate plan.

Tax advantageous options for the charitably inclined include Qualified Charitable Distributions, Charitable Remainder Trusts, Charitable Lead Trusts and donating appreciated securities to qualified charities.

5.

Set up an Irrevocable Life Insurance Trust (ILIT).

If you own a life insurance policy outright at your death, the death benefit will be subject to estate tax. If the policy is instead held by an ILIT, it should avoid estate tax.

6.

Ensure your estate plan takes into account any non-probate assets.

Sophisticated tax planning in a will can be negated if assets are not titled properly or pass by beneficiary designation.

7.

Review and update your estate plan regularly.

Plans should be reviewed at least every five years — or earlier, in the event of a major life change or significant change in tax law.

8.

Don't forget about incapacity planning.

In the event you are incapacitated, planning should be done to ensure health care and financial decisions reflect your wishes and are made by a person you trust.

A corporate trustee can help...

- Provide the level of expertise required to properly administer the trust in accordance with the grantor's intent.
- Provide continuity in the role of the trustee.
- Avoid placing the emotional and administrative burden on family members of serving as a fiduciary.
- Develop an investment strategy with consideration of the needs of the current and future beneficiaries.
- Impartially administer the trust in the best interests of the beneficiaries.
- Stay abreast of any changes in the law that could affect the trust assets or the beneficiaries.

Working through the intricacies of estate planning can be a daunting endeavor. A Westwood Wealth Advisor can help design your legacy that will serve your families and communities for years to come.

Westwood Trust and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax, legal or accounting advice. You should consult your own tax, legal and

accounting advisors before engaging in any transactions. While we have exercised reasonable professional care in preparing this document, no representation or warranty is made concerning the accuracy or completeness of any of the information set forth herein.

Disclaimer *The information contained herein represents the views of Westwood Holdings Group, Inc. at a specific point in time and is based on information believed to be reliable. No representation or warranty is made concerning the accuracy or completeness of any data compiled herein. Any statements non-factual in nature constitute only current opinion, which is subject to change. Any statements concerning financial market trends are based on current market conditions, which will fluctuate. Past performance is not indicative of future results. All information provided herein is for informational purposes only and is not intended to be, and should not be interpreted as, an offer, solicitation, or recommendation to buy or sell or otherwise invest in any of the securities/sectors/countries that may be mentioned.*

The information provided is for informational purposes only and should not be construed as investment advice. The examples provided do not represent an endorsement of any company, product, or strategy by Westwood Group or its affiliates.
