Estate Planning Booklet 2025

Hessler Legal Group

Hessler Legal Group

Who We Are

Who We Are | We are a Law Firm dedicated to providing positive legal solutions to businesses, business owners, individuals, and their families. With attorneys, paralegals, and assistants on staff to help you with whatever needs may arise, we approach areas of need

What We Do | Provide innovative and time trusted techniques to help businesses, business owners, individuals, and their families grow and protect their wealth.

Who Can Benefit | Family Offices, Fellow Attorneys and firms with less experience in estate planning and wealth preservation, CPAs, Accounting Firms, Financial Advisors, Medical Professionals, Business Owners and their businesses and any individual or family who desire to keep more of what they earn and protect their wealth for generations to come.

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Estate Plan Process

Our process begins with our team reviewing your current documents. We will not draft a new estate plan if your current one meets your family's needs. However, if our evaluation determines you may need a new or updated plan, our process for estate planning is simple:

1. **Questionnaire: Fill out the questionnaire and return.**
   This first step is critical. Depending on your needs, you will fill out either a 7 or 20-page document. This may seem tedious; however, our team needs to know your families net worth as well as the people who will be included in your plan.

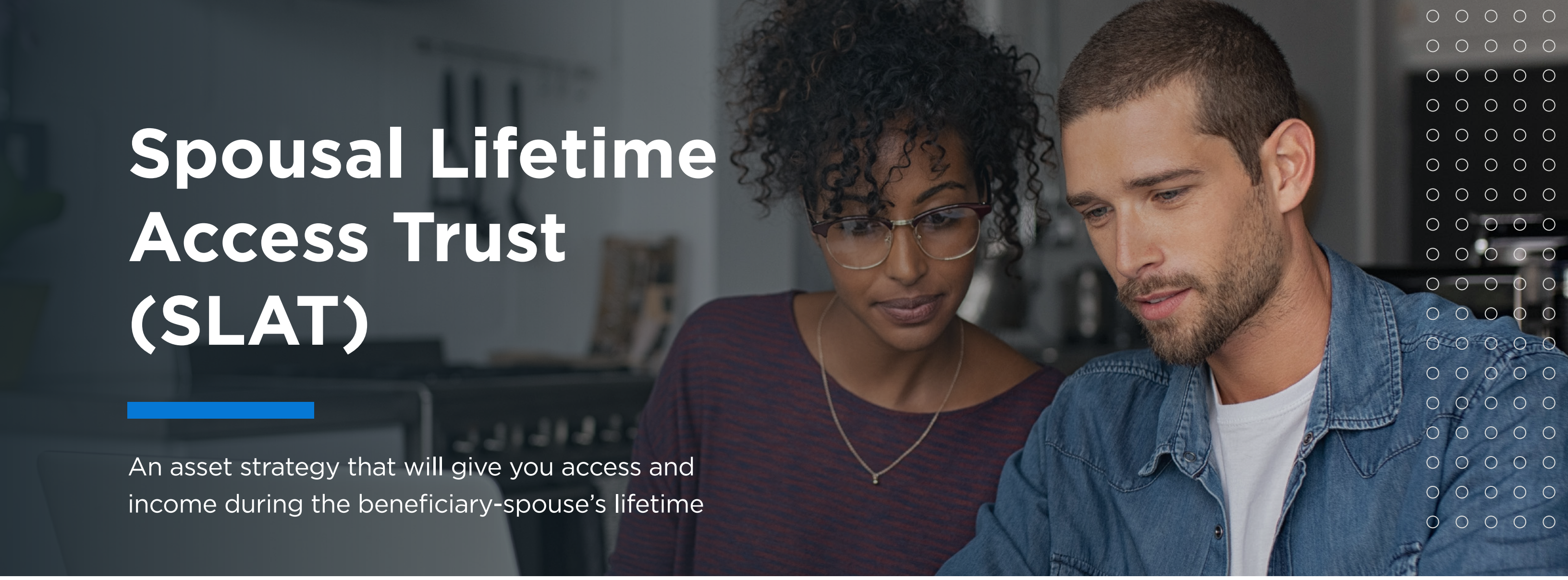
2. **Meeting: Scheduled in-person, phone call or Zoom.**
   Any questions you are unable to answer or that require further clarification will be discussed in a subsequent meeting.

3. **Engagement Agreement: What we will do and for what price.**
   Once the meeting is complete and questions are answered, our team will send the Client Engagement Agreement, via DocuSign, to be signed.

4. **Drafting: This process should take a maximum of 2 weeks.**
   Once the engagement agreement is signed, we begin the drafting phase. Our team will draft the plan and make subsequent revisions until you are completely satisfied with the final version.

5. **Execute: Sign everything.**
   If you are local, our team can meet in person to witness and notarize the documents. If you are out of town, we can mail or email a pdf. copy. Once executed, we ask that a copy of the documents be sent to our team to have on file.

***** Please note, these documents are NOT complete until they are signed, witnessed, and notarized. *****



Spousal Lifetime Access Trust (SLAT)

An asset strategy that will give you access and income during the beneficiary-spouse's lifetime

SITUATION

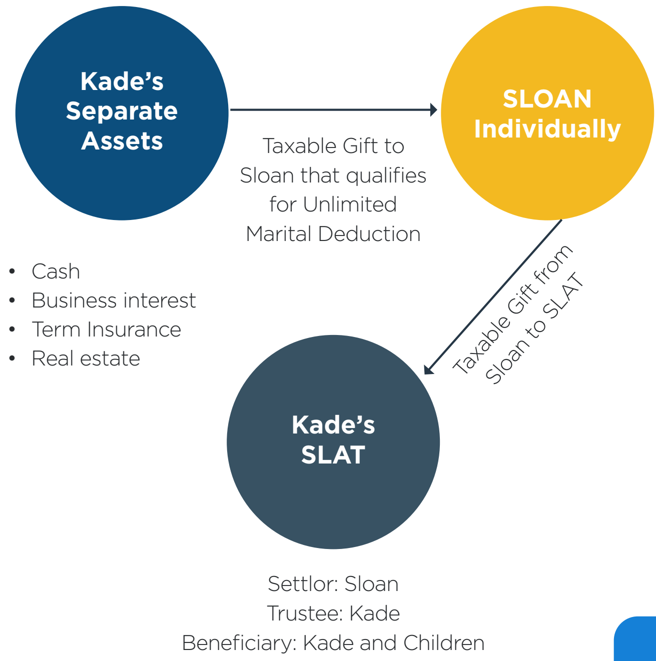
- A married couple (each 50 years old) with a joint net worth of $20,000,000 is facing estate tax uncertainty and concerns
- Couple desires to retain use of assets during their lifetimes, to maximize children's inheritances, to minimize estate taxes, and to protect their assets from creditors
- Foundation estate tax planning allows a lifetime gift of an asset to remove the current value and future appreciation of such asses from one's taxable estate provided that such person retains no use, enjoyment, or benefit of or form such asset or its income
- The federal estate tax exemption of $13,990,000 is set to sunset on 12-31-2025; as of 1-1-2026, such exception is scheduled to be $7,000,000 (Adjusted for inflation)
- Gifts made under the current anti-clawback regulations will be honored if death occurs after 2021

SOLUTION

- One spouse gifts separate assets to a Spousal Lifetime Access Trust ("SLAT") for the benefit of the other spouse
- The SLAT is irrevocable, therefore:
  - Values of assets are removed from gifting spouse's estate, utilizing such spouse's current applicable estate tax exemption of $13,990,000
  - Values of assets owned by SLAT are not included in beneficiary spouse's estate; AND
  - Provides CREDITOR PROTECTION
- The SLAT is a grantor trust, meaning the annual income the SLAT generates is reported on the gifting spouse's person income tax return
- The SLAT is designed to give the beneficiary-spouse access to the assets owned by the SLAT, and the income from such assets, during the beneficiary-spouse's lifetime

EXAMPLE

Kade is married to Sloan. Kade and Sloan are concerned about their estate since it is currently valued at $20MM and growing. Additionally, Kade and Sloan are nervous the estate tax exemption will change prior to the 2025 sunset. They are also worried about whether currently gifting assets would limit their abilities to use, enjoy, or benefit from such assets, or the income from such assets, during their lifetimes.

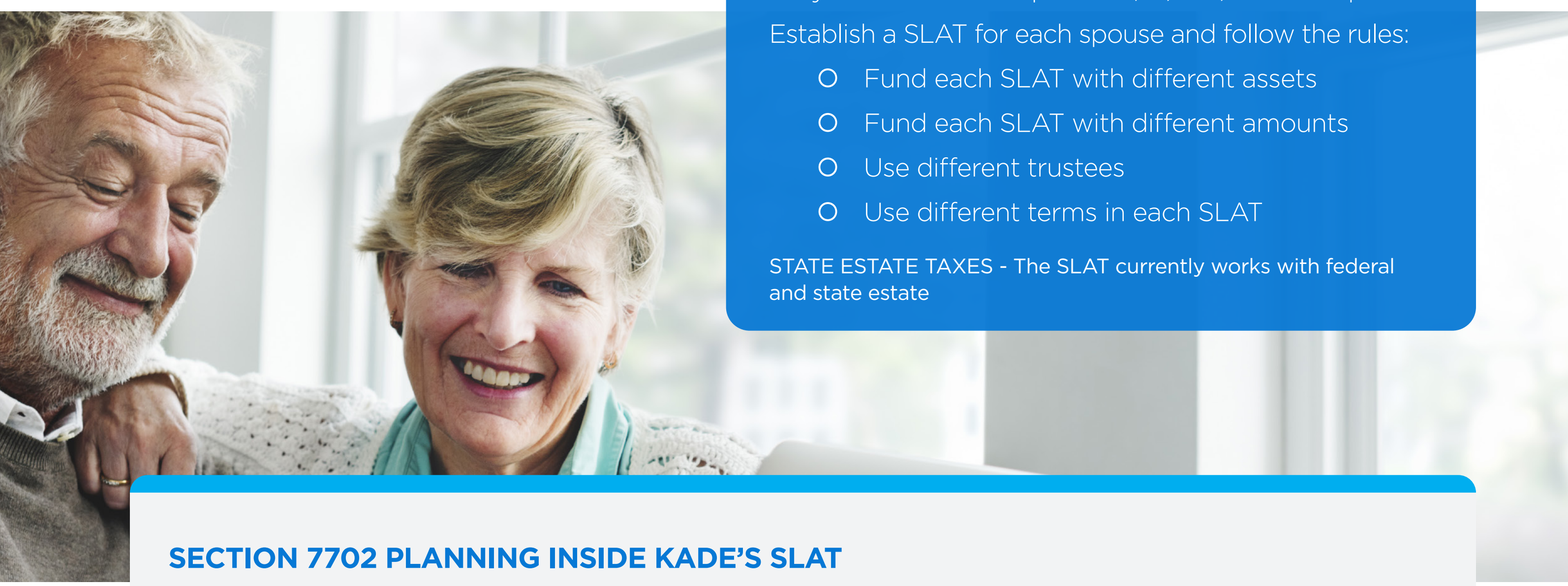


SLAT-Things to Consider

Gift Tax Returns Required:

- For gift from Kade to Sloan; and
- For gift from Sloan to KADE'S SLAT

Post-nuptial Agreement may be required to split assets and provide proper creditor protection and estate tax planning



Why not utilize each spouse's $13,990,000 exemption?

Establish a SLAT for each spouse and follow the rules:

- Fund each SLAT with different assets
- Fund each SLAT with different amounts
- Use different trustees
- Use different terms in each SLAT

STATE ESTATE TAXES - The SLAT currently works with federal and state estate

SECTION 7702 PLANNING INSIDE KADE'S SLAT

- Cash is funded inside SLAT through a gift
- The SLAT buys an IUL on Sloan's life (Settlor)
- ESTATE TAX EXCLUSION - Death benefit is now excluded from their estates for estate tax purposes
- ACCESS: Kade may access loans from policy during his life
- INCOME TAX: Loans from the IUL are tax free
- Assets in the SLAT are CREDITOR PROTECTED

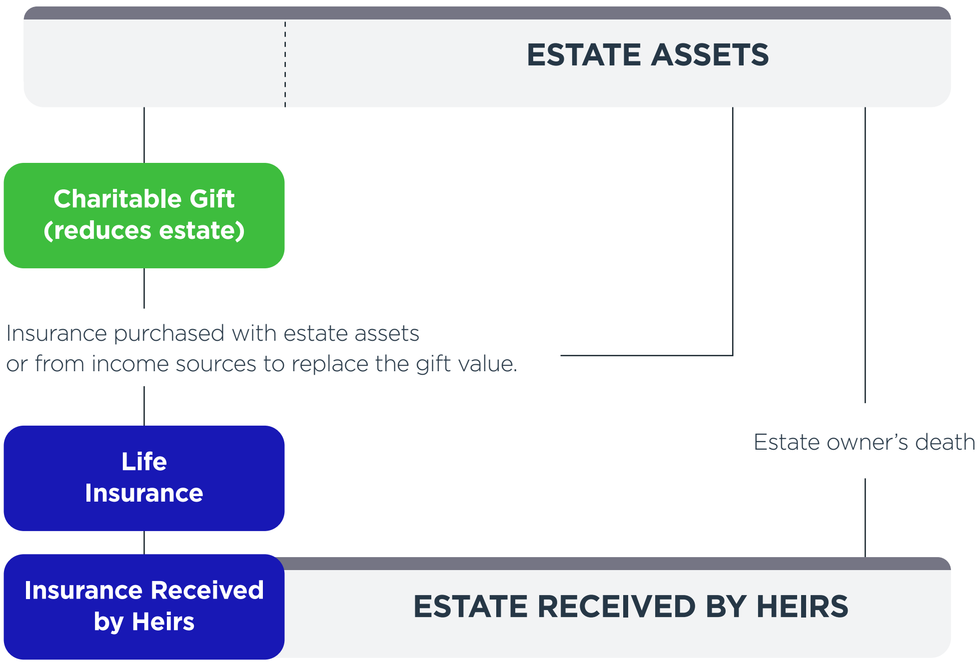
COMPARED TO WHAT:

Husband and wife are each 50 years of age and have a $10MM investment account that is growing at a 4% average annual return; in 35 years and assuming current laws, such account will generate a federal estate tax of an estimated $11,784,000; SLAT at a current cost of $10,000-$20,000 may save over $11,784,000 in federal estate taxes while providing for one spouse's maintenance, support, and health and for children and grandchildren.

Wealth Replacement Trust

The "Wealth Replacement Trust" is a tool used to replace assets that have been removed from a family's estate when assets are gifted, or otherwise disposed of to reduce the taxable estate. This can also be useful when there is a desire to assist a charitable institution, or to remove appreciated assets for income tax planning.

The vehicle used for this technique is a life insurance policy, or some form of permanent insurance, that will persist until the insured's life expectancy. The basic principal is the policy benefits are used to replace the assets which were transferred out of the estate.



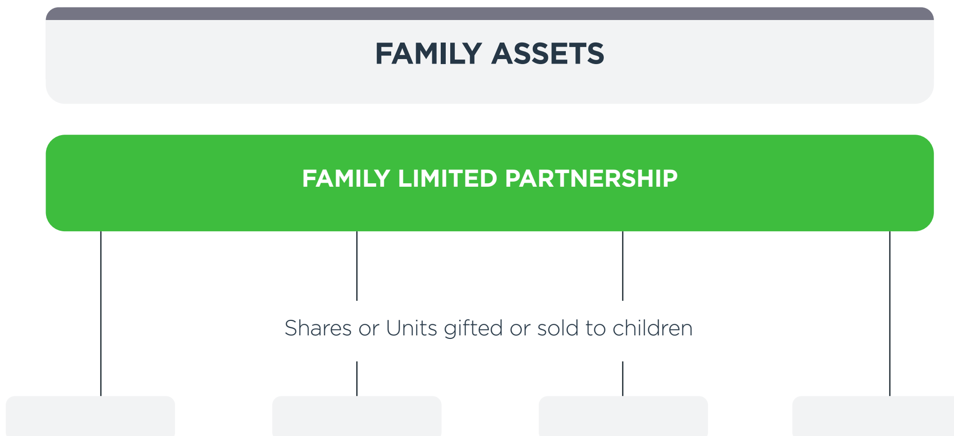
To avoid the insurance being included in the taxable estate, it should either be owned by the beneficiary or be held in an Irrevocable Life Insurance Trust. If the charitable gift is in the form of a Charitable Remainder Trust, then an appropriate amount of the income received from the charitable trust could be gifted to the insurance trust to make the premium payments.

Because there are significant tax and financial ramifications, this technique should ONLY be considered with assistance from appropriate financial and legal counsel. An additional consideration is the ability of the potential insured to satisfy the medical qualifications for the insurance protection.

Family Limited Partnership (FLP)

A family partnership is an unincorporated entity created by the transfer of property from one or more individuals for the common benefit of family members. Generally, the objective of a FLP is minimizing estate and gift taxes.

In a typical situation, the parents transfer assets to a family partnership in exchange for partnership shares or units. This is generally a tax-free event. Partnership interests are then gifted or sold to the children or to trusts established for the children's benefit.



Advantages

- Shift income and appreciation from higher tax bracket family members to those in lower brackets.
- Avoid corporate double taxation without use of an S Corporation structure.
- Allow step up of basis in partnership assets upon death of a partner.
- Divert appreciation of assets from older family members.
- Maintain control over assets.
- Facilitate a gifting program.
- Provide flexibility in managing resources.
- Avoid local probate.
- Avoid fractionalizing of title, particularly when real estate is involved.
- Provide protection from creditors.
- Maintain family control.
- Facilitate family communication.

Disadvantages

- Increased administration expenses.
- Real discounted value may inhibit ability to borrow or invest.
- Potential family disharmony if all participants do not agree.
- IRS scrutiny – when discounts are taken, the IRS may have a tendency toward closer examination
- Difficult trust administration due to fiduciary obligations that might run counter to the grantor's wishes.
- Loss of basis step-up if IRS challenges the discounts and valuations.
- Liquidity concerns.
- Estate tax implications for closely held stocks in partnership.
- Operational formalities, if not closely followed may result in the partnership being disregarded

From the partial list of advantages and disadvantages shown above, it should be obvious that undertaking a FLP is a serious consideration and will require an in-depth degree of analysis and legal consideration.

Business Purpose Attack

The IRS challenges many FLPs on the theory that the partnership lacks economic substance/business purpose and is merely an attempt to avoid taxation, especially if the property is valued at an excessive discount. It is critical, that if a FLP is used, you must have the proper motivation and financial and legal assistance.

Grantor Retained Trusts (GRT)

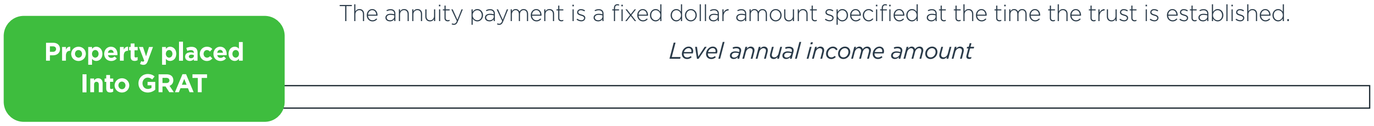
The Grantor Retained Trust is a device that can leverage gifts between generations. By placing property into the trust, future appreciation on the property is not included in the grantor's estate, but the grantor retains an income interest in the property. The property is treated as a gift subject to gift taxes, however, the terms of the trust result in a discount to the gift value, effectively reducing the value of the gift to be reported.

Two types of trusts are commonly used - Grantor Retained Annuity Trust (GRAT) and Grantor Retained Unitrust (GRUT).

GRAT

The annuity payment is a fixed dollar amount specified at the time the trust is established.

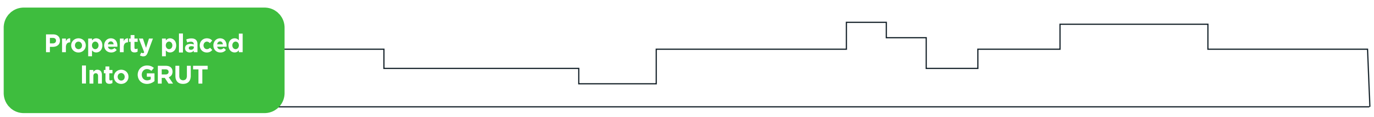
Level annual income amount



The annual payment is a predetermined percent of the fair market value of the trust assets each year and will increase or decrease as the trust assets change.

GRUT

Variable annual income amount



ADVANTAGES

GRAT

- Reduce transfer tax cost.
- Removal of future appreciation from estate.
- Continued receipt of the income generated by the property in the trust.

GRUT

- Reduce transfer tax cost.
- Removal of future appreciation from estate.
- A hedge against inflation. (If the assets increase in value, the income increases)
- Additional contributions allowed.

DISADVANTAGES

GRAT

- Assets belong to the trust
- Inclusion in Gross Estate. (If grantor dies prior to termination trust)
- Additional contributions prohibited
- No allocation of Generation Skipping Tax until end of trust term.

GRUT

- Assets belong to the trust
- Inclusion in Gross Estate. (If grantor dies prior to termination of trust)
- Unstable income stream. (Amount may increase or decrease)
- Annual valuation of trust assets required
- No allocation of Generation Skipping Tax until end of trust term.

The term of a GRAT or GRUT may be for the life of the grantor, for a specified term of years or for the shorter of the two periods. If a GRAT is selected and the grantor dies before the trust terminates, some or all the advantages of the trust arrangement may be lost. For this purpose, it may be wise to select a short trust term and then repeat the trust – sometimes referred to as "re-GRATing."

As there are many complex considerations involved in determining the most effective selection, it is very important that the options be carefully reviewed with your financial advisors, accountant, and/or legal counsel.

Qualified Personal Residence Trust (QPRT)

The QPRT is created by transferring a residence, or second home, into a split interest trust for a specific period, typically between 10 and 20 years. The advantages of the trust arrangement include transfer of the property at a low gift tax value and shifting future appreciation out of the grantor's estate, providing he or she lives until the end of the term.

PERSONAL RESIDENCE

Residence is gifted to the trust.
The value of the gift is discounted using actuarial tables
Limited additional cash may be included for debt service and maintenance.
Grantor may serve as trustee.

QPRT TRUST

Grantor may continue to use the residence through the term of the trust.
Appreciation is transferred outside the estate.
Residence reverts to the estate if death occurs before termination of the trust.

When trust terminates,
property is transferred to the beneficiary/heirs.

At this time the grantor may rent or purchase
the residence and continue occupancy.

The trust may include a contingent reversionary interest, which will cause the residence to revert to the estate in case of death before the end of the term. With this provision, the grantor could utilize the marital deduction by passing the residence to a surviving spouse, postponing the estate tax, and causing the trust to be classified as a "grantor trust". This would allow the grantor to deduct property taxes and mortgage interest on his own tax return during the term of the trust.

Credit Shelter Trust

A credit shelter trust is a device used to minimize estate taxes at the passing of each spouse by using the applicable exclusion amount. It allows the surviving spouse to use and access the assets of the deceased spouse.

The amount of the estate exclusion varies depending on the year of death. Under current rules, an inflation index is applied annually to the applicable credit exclusion amount. This estate exemption is now permanently portable between spouses.

Year	Exclusion
2021	11,700,000
2022	2,060,000
2023	12,920,000
2024	13,610,000
2025	13,990,000

CURRENT ESTATE

First Spouse Dies

No Tax

All assets outside of credit shelter trust pass outright to surviving spouse.

Surviving spouse has

- All income
- All principal
- Unlimited power to appoint principal to anyone

Credit Shelter Trust
$13,990,000

Surviving spouse has right to:

- All income
- Principal for health, support, and maintenance
- Limited power to appoint principal to heirs

Surviving Spouse Dies

Tax on Assets Over $13,990,000

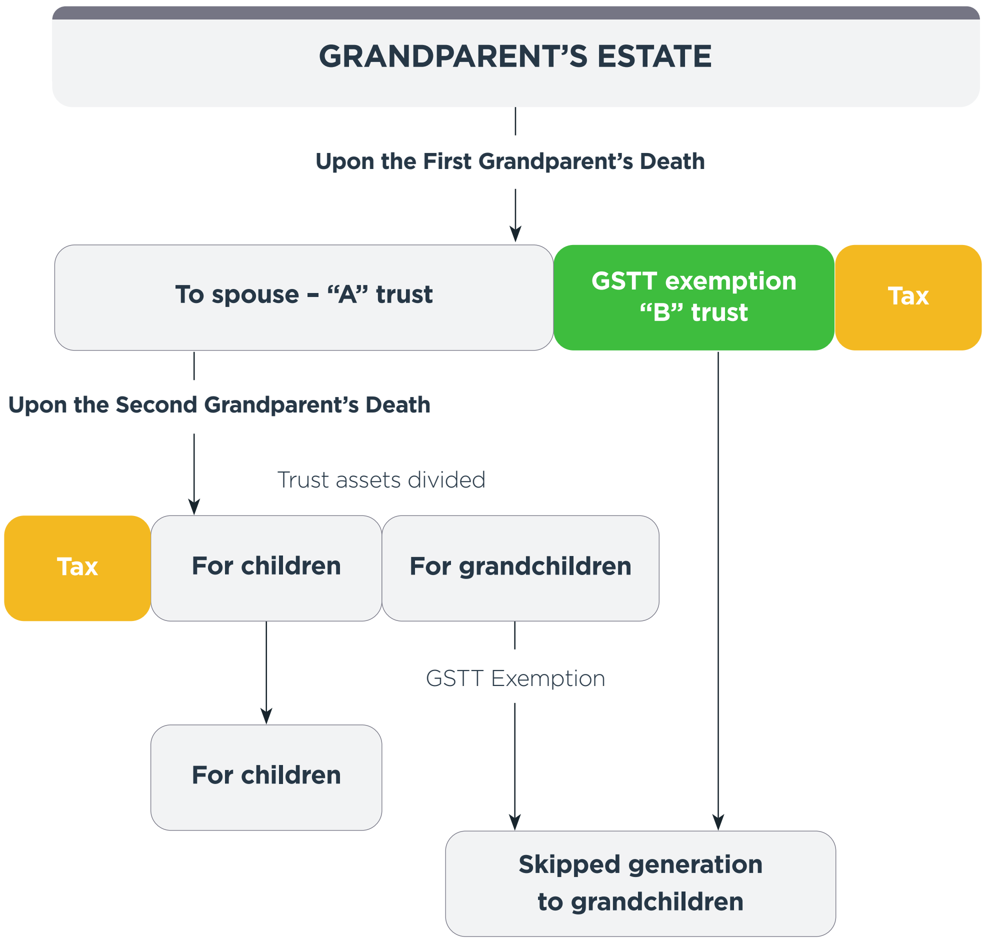
No Tax

Remaining Beneficiaries
Assets may pass outright to beneficiaries or into trust for their benefit

Generation-Skipping Transfers

The Federal estate tax system is designed to tax property as it passes from one generation to the next. The generation-skipping transfer (GSTT) is intended to prevent wealthy families from reducing estate taxes by skipping one or more generations in the passage of their assets.

The GSTT is paid in addition to the normal estate or gift tax and is applied when property is transferred to a person two or more generations younger than the transferor.

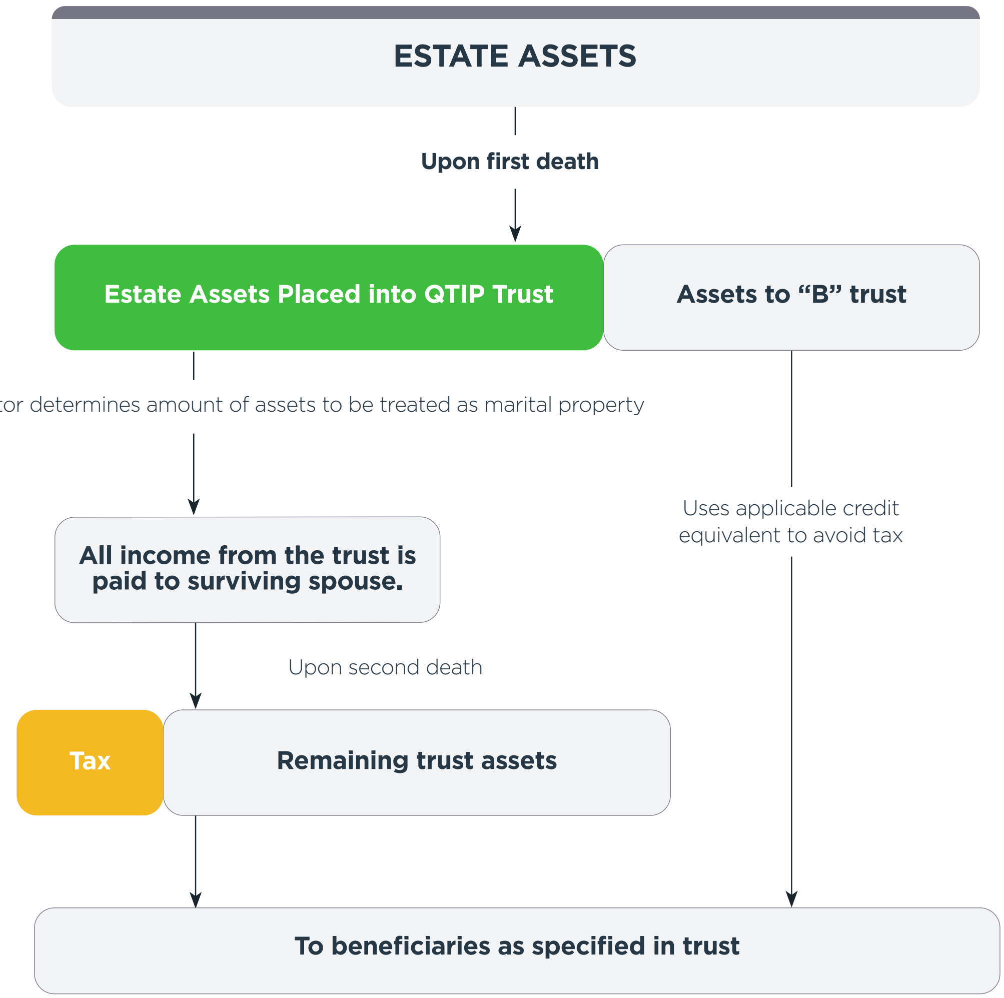


Although the benefits of using the GSTT transfer techniques can be substantial for larger estates, its complexity would indicate that careful and thorough planning with qualified counsel is required to avoid unexpected tax consequences.

Note: The scheduled estate tax changes and probable additional future revisions in the estate tax laws will likely impact the above illustration.

Qualified Terminal Interest Trust (QTIP)

The Qualified Terminal Interest Trust (QTIP) is designed to reduce taxes using marital deduction, yet control who will eventually receive the property upon the death of the surviving spouse.



To qualify for this treatment, the executor must make an irrevocable election to have the marital deduction apply to property placed in the trust. This gives the executor the power to determine how much, if any, of the estate will be taxed at the first death and provides flexibility for post death planning.

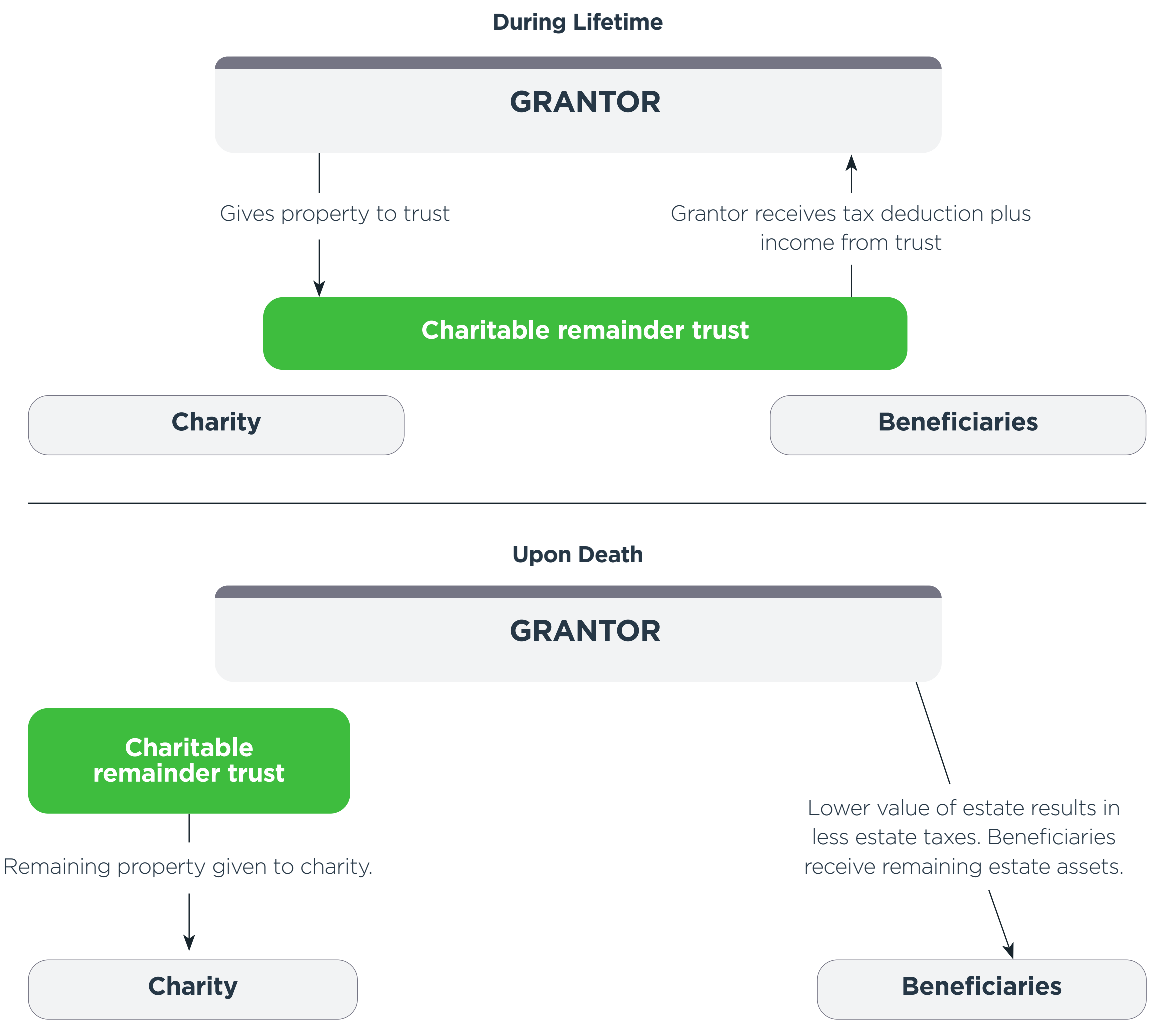
Note: The scheduled estate tax changes and probable additional future revisions in the estate tax laws will likely impact the above illustration.

Charitable Remainder Trust (CRT)

Using a charitable remainder trust, allows an individual to make a substantial deferred gift to a charity while retaining the right to receive payments from the trust. The use of such a trust can have multiple tax and non-tax advantages, particularly when the gist is in the form of appreciated property.

Some benefits may include

- Immediate reduction in income taxes
- Increased cash flow
- Avoidance of capital gains upon sale of the asset
- Eventual reduction of estate taxes
- Satisfaction of benefiting a favored charity.



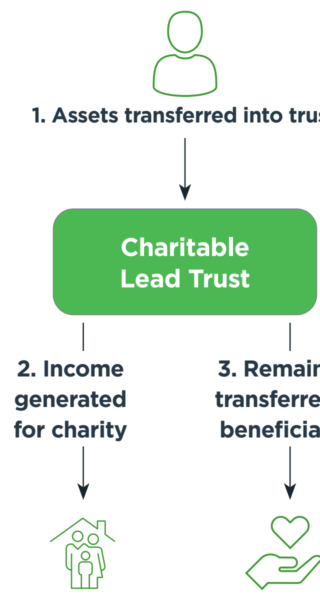
The charitable trust is sometimes referred to as a double win trust. The grantor wins by receiving an immediate tax deduction based on the present value of the charity's remainder interest. The grantor will receive income, as either a fixed annual amount in the form of an "annuity trust" or as a percent of the trust values as a "unitrust". The charity wins by receiving the remaining assets in the trust when the grantor dies.

Charitable Lead Annuity Trust (CLAT)

A Charitable Lead Annuity Trust (CLAT) is an irrevocable trust that supports charitable causes while benefiting your family's future. It provides fixed, regular payments to designated charities for a set period, and once this period ends, the remaining assets are passed on to your heirs or beneficiaries.

Key Features:

1. **Charitable Contributions:** You specify one or more charities to receive annual payments from the trust, making a lasting impact on the causes you care about.
2. **Annuity Payments:** The trust generates a fixed annuity, providing predictable income to the charity for a set term (often over a period of years or the lifetime of a person).
3. **Tax Advantages:** You may qualify for a charitable deduction based on the present value of the charity's payments. Plus, the assets in the trust are removed from your taxable estate, potentially reducing estate taxes for your heirs.
4. **Beneficial Inheritance:** After the charitable term ends, the remaining assets in the trust are transferred to your family members or other beneficiaries.



Who Can Benefit?

- **Philanthropic Individuals:** If you wish to support charities while leaving a legacy for your beneficiaries, a CLAT allows you to do both.
- **High Net-Worth Individuals:** For those with significant estates, a CLAT can reduce estate taxes while benefiting charitable organizations.
- **Families with Financial Goals:** A CLAT balances charitable giving and inheritance, ensuring both causes you care about and loved ones are taken care of.

How It Works:

1. **Charitable Payments:** Designate one or more charities to receive fixed annuity payments from the trust for a set term.
2. **Tax Benefits:** Receive a charitable tax deduction, and remove the trust's assets from your taxable estate, reducing estate taxes.
3. **Inheritance for Your Family:** Once the charitable payments are complete, the remaining trust assets are distributed to your heirs.

CLAT vs. Charitable Remainder Trust (CRT): A CLAT is the opposite of a **Charitable Remainder Trust (CRT)**. In a CLAT, the charity receives income first, and the remaining assets go to family members. In a CRT, the family receives income first, and the remainder goes to charity.

Installment Sale to a Grantor Trust

The concept

This strategy begins with a client establishing a trust that will benefit one or more family members. The client then sells property to this trust, and the transaction is structured as an installment sale.

To start, the client funds the trust with a gift of income producing assets, which are offset by the client's gift tax exclusion. Following this, the client enters into an installment sale agreement with the trust. The trust uses income generated from both the gifted and purchased assets to make payments on the installment note, leaving any remaining trust assets for the intended family beneficiaries. Alternatively, the trust may acquire life insurance on the client to pay off the note upon the client's death.

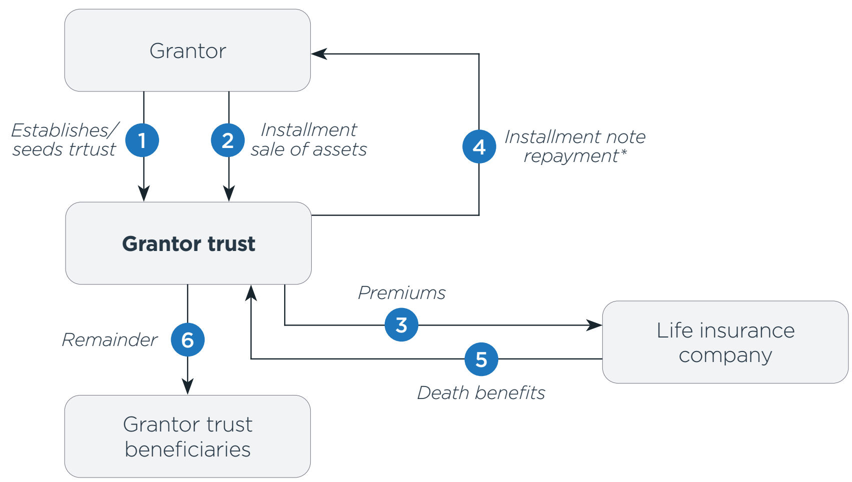
Grantor Trust Structure

The trust is set up with provisions that designate it as a "grantor" trust for income tax purposes. This means that:

- The client does not recognize any gain or loss on the sale.
- The client is not taxed on any interest payments received from the trust.

Estate and Gift Tax Considerations

From a tax perspective, this transaction is structured as a sale rather than a gift. This is especially useful in cases where the client has exhausted their gift tax exclusions or the value of the property being transferred exceeds those exclusions. The sale avoids gift taxes, and if the return on the assets exceeds the interest rate on the note, the excess is transferred to the trust beneficiaries gift-tax-free. Since the client, as the grantor, is responsible for the trust's income taxes, the trust's assets grow free of income tax, and the client's payment of these taxes counts as a gift tax-free gift to the beneficiaries.



Transaction Structure

It's important that the sale price reflects the fair market value of the assets being sold at the time of the transaction. The installment note should be structured at arm's length with adequate interest to comply with IRC § 7872 and avoid imputed interest. Properly structured, the sale locks in the value of the note in the client's estate, with any appreciation in the value of the sold assets passing to the trust and the beneficiaries free of estate and gift taxes.

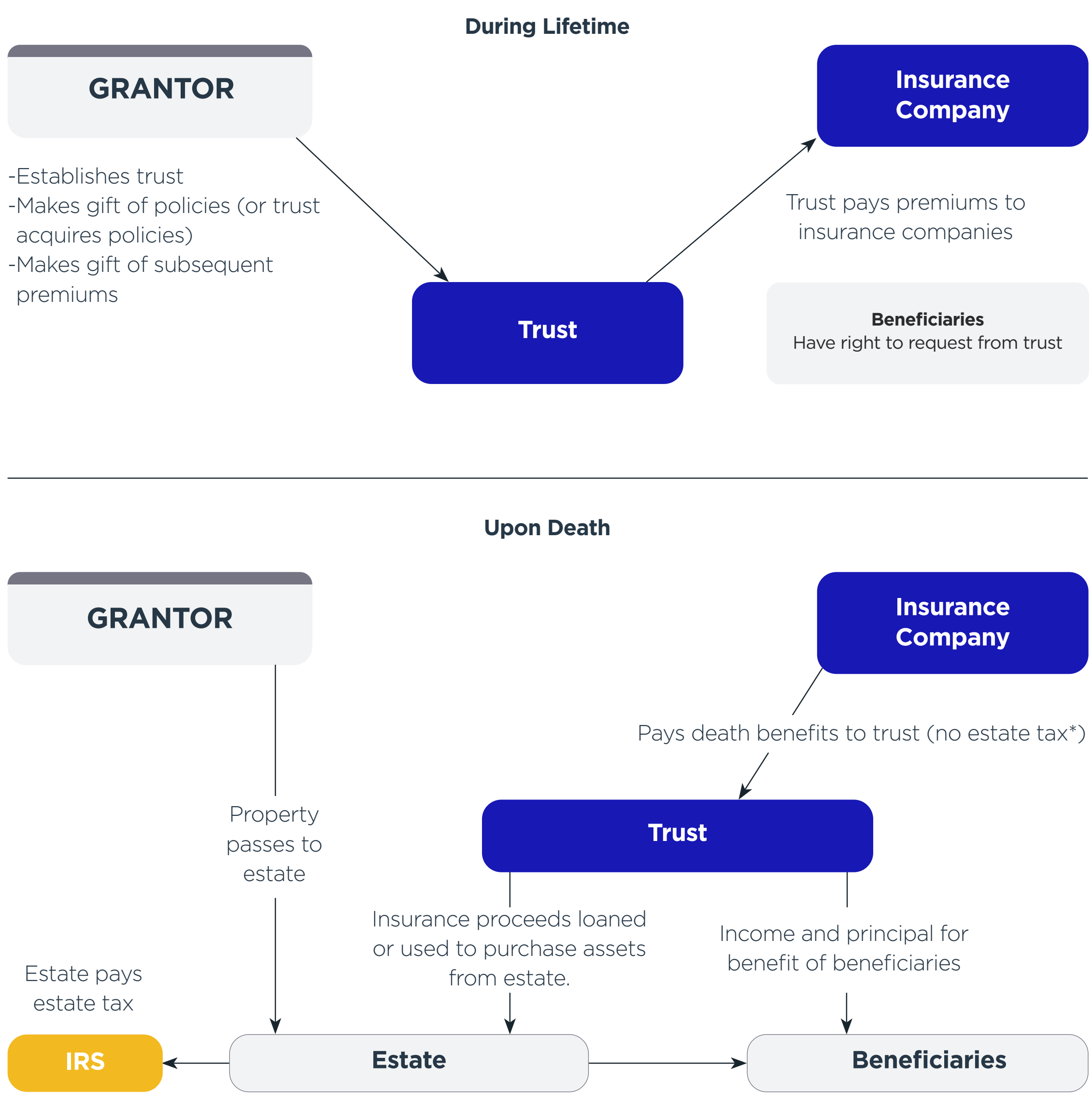
The note can be set up as either a series of installment payments or a balloon note with annual interest payments, maturing at the client's death. If the client dies before all installments are paid, the remaining balance will be included in the client's estate. If this creates an estate tax liability, the client might want to consider purchasing life insurance to cover the tax liability. Alternatively, for a balloon note, the client could make additional gifts to the trust, which could use those gifts to purchase a life insurance policy to pay off the note upon the client's death.

This strategy allows for the transfer of assets to family members with minimal tax consequences, helping to reduce the client's taxable estate while providing for future generations.

Irrevocable Life Insurance Trust (ILIT)

The Irrevocable Life Insurance Trust (ILIT) is a basic tool for estate planning. When an ILIT is funded with life insurance it may accomplish the following objectives.

- Provide income for a family
- Provide funds for estate settlements costs
- Avoid increasing estate taxes
- Provide for management of assets
- Maintain confidentiality
- Take advantage of gift tax laws



* If existing policies are gifted to trust, insured must live 3 years to avoid tax.

Gifting Program

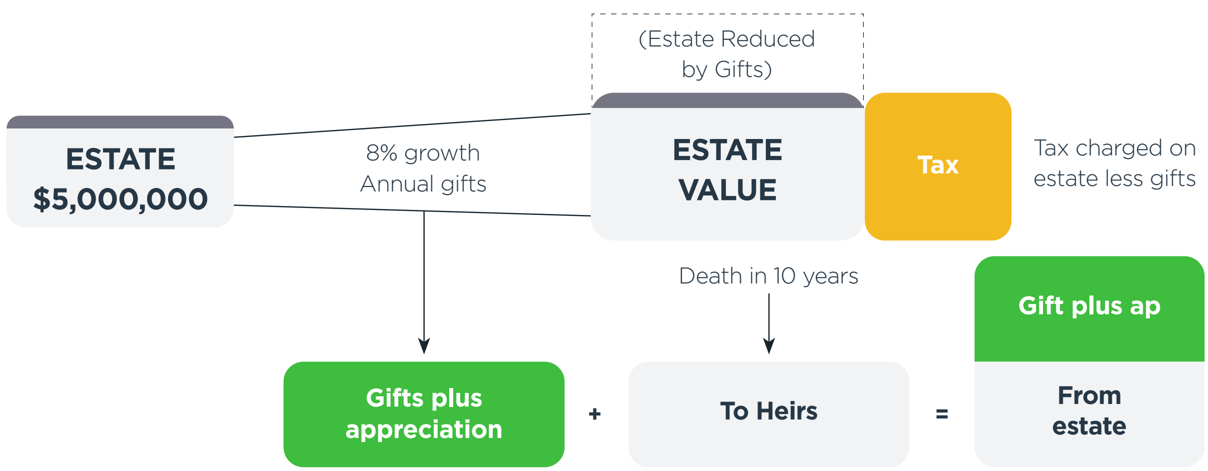
A significant benefit of making tax free gifts from your estate is the ability to avoid estate taxes on the future appreciation of the property gifted.

No Gift Program

Entire estate is taxed upon death.

Annual Gift Program

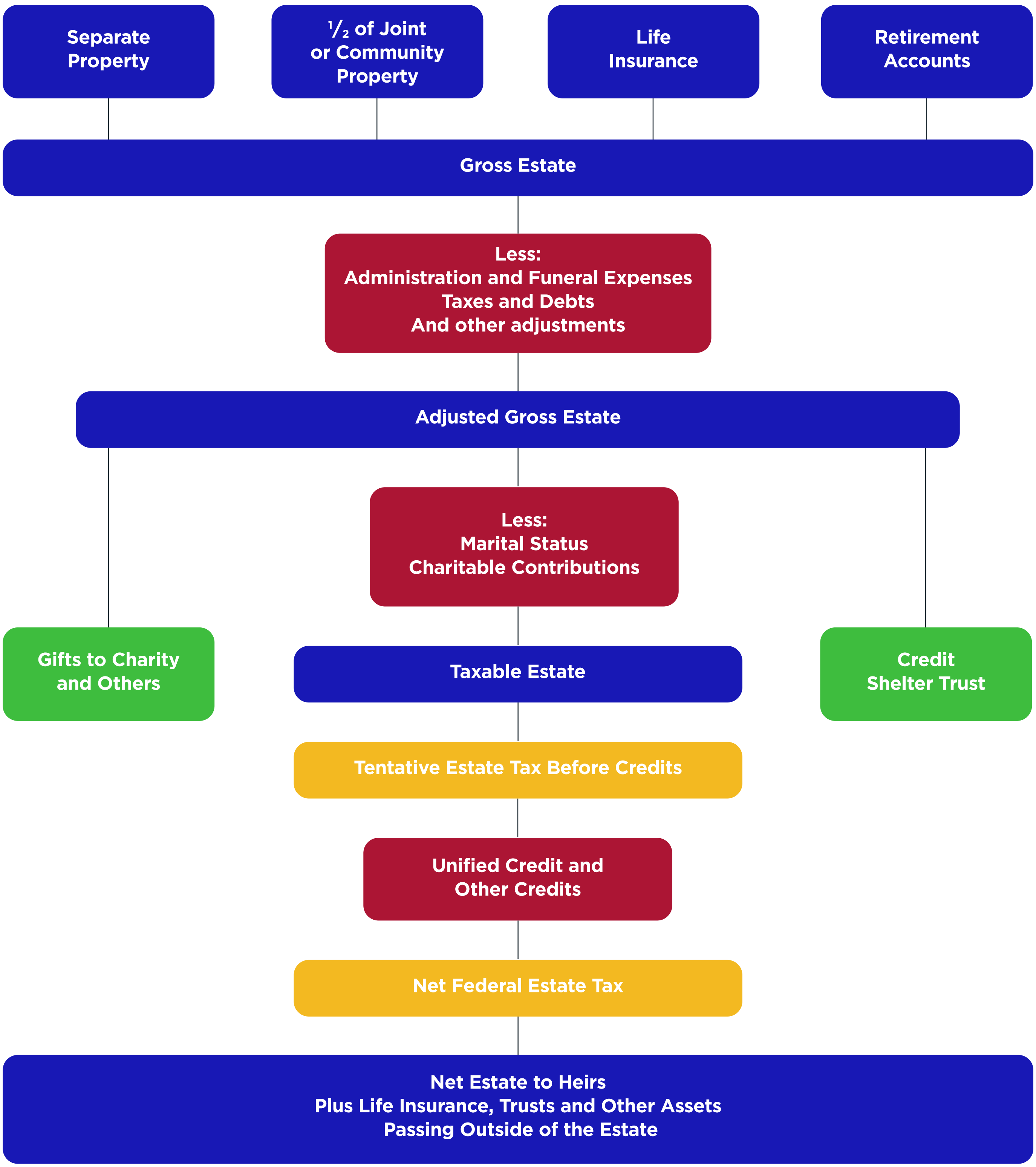
Gifts made during the donor's lifetime times the number of heirs, will bypass the estate and gift tax on the amount given and on the appreciation on the gifts.



The ability to gift assets to donees without payment of gift or estate taxes can substantially increase the future values available to heirs. When the $5,000,000 estate described above is compared with(out) a program of giving $32,000 per year for 10 years, the savings in estate taxes increases the future benefit to heirs from $10,804,720 to $10,975,470, an increase of $170,750.

Note: The current estate tax rules and probable future changes could dramatically affect a gifting program either positively or negatively.

How Are Estate Taxes Calculated?



Asset Protection Trust (APT)

What is an Asset Protection Trust (APT)?

An **Asset Protection Trust (APT)** is an irrevocable trust designed to shield your assets from potential creditors, lawsuits, and other claims. By transferring ownership of your assets to the trust, you ensure they are legally protected from financial threats and legal actions. An APT is advantageous for individuals who desire protection for assets from creditors and lawsuits. Additionally, an APT can offer tax advantages, such as removing assets from the estate for estate tax purposes.

Key Features of an Asset Protection Trust (APT)

- **Irrevocable:** Once assets are transferred into the trust, they cannot be reclaimed or altered. This ensures that the assets are protected from future creditors or legal actions.
- **Creditor Protection:** The primary benefit of an APT is that it shields your assets from being seized by creditors, lawsuits, or judgments, provided the transfer was not made with fraudulent intent.
- **Trustee Control:** The trust is managed by an independent trustee, who holds legal control over the trust's assets. This separation from the grantor ensures that the assets are not considered part of the grantor's personal estate.
- **Beneficiary Rights:** The grantor can name themselves, their spouse, children, or other family members as beneficiaries, allowing for wealth transfer and financial security.
- **Protection from Future Creditors:** An APT protects against future creditors and claims, but it may not protect against existing claims at the time the trust is established.

How an Asset Protection Trust Works

1. **Establishment:** The grantor creates an irrevocable trust and transfers assets into it. These assets are no longer part of the grantor's personal estate and are protected from creditors and lawsuits.
2. **Trustee Management:** An independent trustee manages the trust assets according to the terms set out by the grantor. The trustee has full control over the trust assets, but the grantor can retain some control through specific provisions, such as receiving income or having limited access to funds.
3. **Creditor Protection:** Because the assets are no longer owned by the grantor, they are shielded from creditors. However, the transfer must be made in good faith and not with the intent to defraud creditors. Some jurisdictions offer stronger protection, such as offshore trusts.
4. **Beneficiaries:** The trust can benefit the grantor or other family members, such as children or grandchildren, providing financial security without exposing the assets to potential creditors.

Beneficiary Defective Inheritor's Trust (BDIT)

What is a Beneficiary Defective Inheritor's Trust (BDIT)?

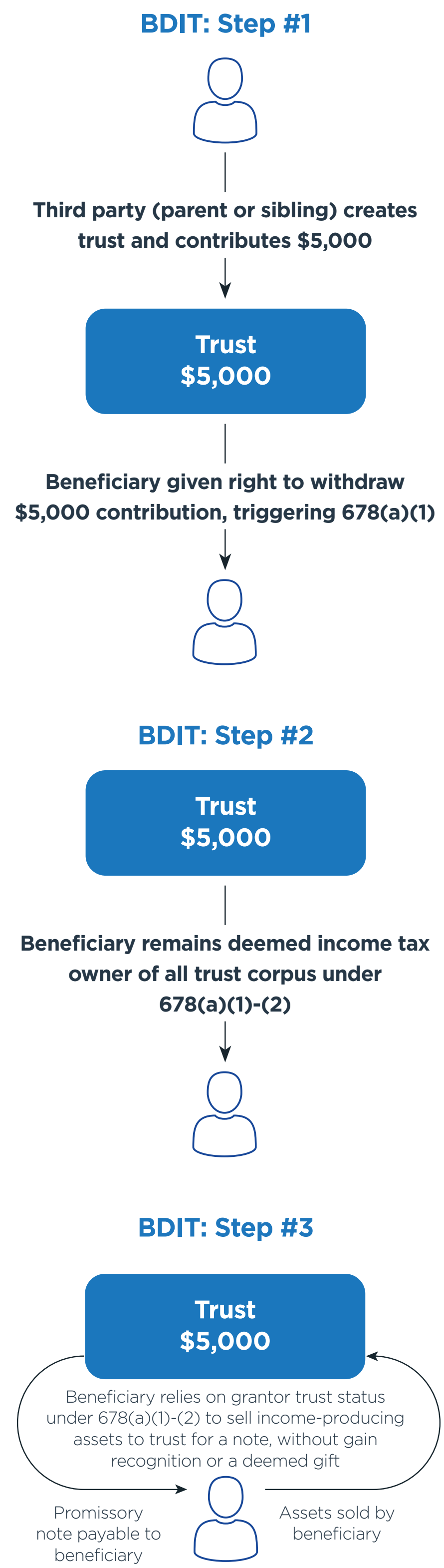
A BDIT is a type of irrevocable trust that allows the beneficiary to control the trust assets while avoiding transfer taxes and protecting its assets from creditors, a divorcing spouse, or the IRS. A BDIT is especially advantageous for clients who wish to pass a business interest, such as a shareholder interest in a closely held corporation or a member interest in an LLC, to their beneficiaries after death while still maintaining control over the trust property. Otherwise, a BDIT can be used to mitigate capital gains tax when planning to sell low-basis assets via the step-up in basis tax provision.

Key Features of a Beneficiary Defective Inheritor's Trust

- **Grantor Trust:** The trust is considered a grantor trust for tax purposes, meaning that the grantor is responsible for paying income taxes on the trust's earnings, not the beneficiary. This can allow the beneficiary to inherit wealth without being burdened by income taxes on the trust's earnings.
- **Irrevocable Structure:** The BDIT is irrevocable, meaning once the assets are placed in the trust, they cannot be taken back or altered. This ensures that the assets are outside the grantor's estate for estate tax purposes.
- **Control by Beneficiary:** The beneficiary typically has certain powers over the trust, such as the ability to withdraw income or access principal under specific terms, or even a power of appointment to direct distributions upon their death. As long as the beneficiary does not direct discretionary distributions toward oneself, the beneficiary may have a special power of appointment to make broad discretionary distributions to others.
- **Estate Tax Minimization:** The assets in the BDIT are removed from the grantor's estate, thus reducing the estate tax liability and allowing the assets to appreciate outside of the beneficiary's taxable estate.
- **Asset Protection:** The assets within the BDIT are generally protected from creditors, as the beneficiary does not have full ownership of the trust assets until they are distributed.

How a BDIT Works

1. **Creation and Funding:** A third-party, generally a parent or family member (the grantor), creates the BDIT for the beneficiary and seeds the trust with approximately 10% of the fair market value of the trust assets. Then, the grantor can purchase assets from the beneficiary with the seed money and a promissory note based on the current applicable federal rate.
2. **Taxation:** As a beneficiary defective trust, the beneficiary is treated as the grantor of the BDIT, thus also becoming the income taxpayer of the BDIT.

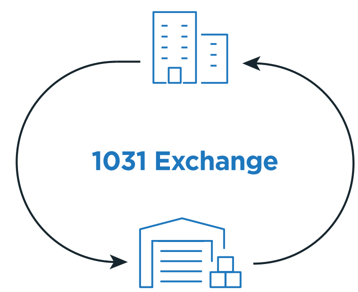


Advanced § 1031 Exchanges: A Simple Guide for Real Estate Wealth Planning

Section 1031 exchanges help real estate owners save on taxes by deferring capital gains and reinvesting into income-generating properties. Here's an easy breakdown of your options and strategies:

Investment Choices

1. Triple Net Leases (NNN):
- o You own a single property, collect rent, and the tenant handles expenses and management.
- o Tenants are often big companies, making this a stable option but hard to sell quickly.



2. Delaware Statutory Trusts (DSTs):
- o You share ownership of multiple properties managed by professionals.
- o Provides steady returns and diversification but locks up your investment for 7-10 years.

3. Other Syndicated Deals:
- o You invest in one property with higher potential returns but more risks.
- o Requires active involvement and may include financing responsibilities.

Getting Cash Without Selling

- **Wraparound Loans:**
  - o Borrow money using your investment as collateral.
  - o Keep in mind: you'll report income on taxes even though the money goes toward the loan.

Who Benefits Most?

- Owners ready to stop managing properties but want steady income.
- Investors looking to reinvest extra money from an exchange.
- Heirs inheriting properties who don't want to manage them.

Advanced Strategies

1. Drop-and-Swap:
- o Split ownership of a property, so each owner can do their own exchange.

2. Parking Arrangements:
- o Buy your new property first and sell the old one later.

3. Combo Exchange:
- o Combine strategies to get up to 360 days for the exchange process.

4. Other Techniques:
- o **S-Corp Solutions:** Special methods for handling exchanges with S-Corp properties.
- o **Leasehold Improvements:** Use exchange funds to build on property you already own.
- o **Land-Building Splits:** Exchange into just land or a building, not both.

By using these § 1031 exchange strategies, you can build a strong, tax-smart real estate portfolio tailored to your goals.

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Fee Schedule

The amounts below reflect the basic estate planning costs associated with reviewing the client questionnaire, engaging in meetings and regular correspondence, assessing the unique needs of each client, and completing a fully customized drafting process based on those needs.

Please note that the following fees represent estimates only and are subject to change at any time. These figures do not include additional services, such as deed or asset transfers, which will generally be assessed on an hourly basis. There may also be additional fees associated with out-of-state plans due to cross jurisdictional expenses.

Hourly fee: $400/hour

Basic will packages, consisting of two (2) wills and all ancillary documents, start at **$750/person**.

Trust packages are determined by total net worth and are classified under the following categories:

Net Worth	Type of Trust	Fee Estimate
Less than $1M	Probate Avoidance Trust (simple) -or- MD Trust (for asset protection)	Ranges from **$2,000+**
$1M to $7M*	Disclaimer Trust (simple with minimal flexibility) -or- MD Trust (provides asset protection and a Limited Power of Attorney)	**$2,500 and up**
$10M to $27.98M	QTIP Trusts (using portability up to $27.98M)	**$5,000 and up**
Over $27.98M	Indiana Legacy Trust -or- Asset Protection Trust -or- Dynasty Trusts**	**$10,000 and up**

Irrevocable and Advanced Planning*: Trusts may be included in the above-mentioned planning scenarios.

*CRT's (Annuity or Unitrust), CLT's, QPRT's, GRAT's, "Intentionally Defective" Grantor Trusts, "Intentionally Defective" Medicaid Trusts, a Medicaid Income Trust, and other Irrevocable Trusts (including 1st and 3rd Person Special Needs Trusts, Memorial Trusts, Gift and Life Insurance Trusts) are all on an ad hoc basis.

**For Nevada, Delaware, Alaska and South Dakota Trusts we may use Asset Protection and Dynasty Trusts.

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