

## **Basic Estate Planning**

Estate Planning is more than just executing a Last Will and Testament. It requires:

- A review of your assets, their value and, more importantly, how your assets are owned;
- A determination of your goals and objectives; and
- The drafting of your Last Will and Testament to achieve your goals and objectives.

Estate planning may involve the use of outright bequests of money or property or the use of trusts in providing for your spouse, children or grandchildren. It also may warrant tax planning if your gross estate exceeds the exemption amounts, \$5.45 million for Federal purposes and \$4.1875 million for New York State purposes in 2016.

A Last Will and Testament can include provisions addressing your individual needs such as:

- Marital Trusts
- Credit Shelter Trusts
- Trusts for Children
- Generation Skipping Trusts a/k/a Dynasty Trusts
- Appointment of Guardians
- Special Needs Trusts
- Selection of Trustees and Executors

## **Supporting Documents**

There are also other important documents essential to your estate planning. These documents are:

Durable Power of Attorney. This document appoints an individual to act in your place and stead and is effective even if you are disabled. A Statutory Gifts Rider may allow your agent to make gifts on your behalf.

Health Care Proxy. This document appoints an individual to make medical decisions for you should you be unable to do so. It may contain specific directions regarding your care such as the refusal of medical care in certain circumstances.

Living Will. This document serves as your declaration to all parties of your decision not to have extraordinary medical care administered if you have an irreversible loss of mental capacity and certain conditions are met.

Revocable Trust. This inter vivos trust is created during your life to hold your assets. The right to alter, amend, terminate or revoke the trust is retained during your life and it serves as a device to dispose of your property at death while avoiding the probate process.

Irrevocable Trusts. These trusts may be used for several estate planning purposes. For example, Irrevocable Life Insurance Trusts may hold insurance on your life while keeping the death benefits out of your taxable estate,

qualified Charitable Trusts may provide for the splitting of the trust benefits between a charity and you or your family, and Dynasty Trusts may provide benefits for future generations.

## **Other Planning Considerations**

In developing your estate plan, it is imperative to design the plan to meet your needs and objectives. This may mean making sure that the family vacation home is available for your grandchildren or that your daughter in the family business receives the business. Tax planning will enter the discussion for those individuals with taxable estates.

This may suggest the creation of a Credit Shelter Trust in your Last Will and Testament, the creation of a gifting program to your children and grandchildren, the creation of an Irrevocable Life Insurance Trust or consideration of other sophisticated estate planning techniques such as Family Limited Partnerships, Grantor Retained Annuity Trusts, and Charitable Remainder Trusts.

These and other techniques address the minimization of income tax, gift tax, estate tax and generation skipping tax.

## **Background and Experience**

Jim Soressi has over 25 years of experience as a tax attorney in the practice of estate planning, business planning and estate administration.

He began his career as an Estate Tax Attorney for the Internal Revenue Service where he conducted field audits of estate tax returns and fiduciary income tax returns. This education and experience provided an excellent foundation in determining the most efficient design of estate plans under the law and addressing estate administration issues.

He later joined a major insurance company in its advanced underwriting department where he worked with high net worth individuals and closely held business owners in designing basic and sophisticated estate plans. This also encompassed establishing business succession plans for closely held businesses as well as non-qualified executive benefit planning for key employees. This often involved creative and integrated planning and drafting to accomplish the client's goals with preferred tax results.

Jim also worked with a prominent Long Island law firm where he concentrated on creating and drafting innovative and sophisticated estate

plans while minimizing income, gift, estate and generation skipping taxes.

While with the law firm, he also handled all aspects of estate administration. This included probate proceedings, estate administration regarding asset gathering and valuation, preparation of Federal and New York State estate tax returns, handling and negotiation of estate tax audits and preparation of and settlement of formal and informal accountings.

Jim has authored numerous articles in the estate and business planning areas and has lectured on these subjects across the country. He is a member of the adjunct faculty at Long Island University, CW Post Campus, where he teaches the Probate and Estate section of its paralegal program as well as a faculty member at LawLine.com, an Internet-based continuing legal education firm.

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## ***James A. Soressi Attorney at Law***



***Concentrating in  
Estate Planning,  
Business Planning  
and  
Estate Administration***