

Estate Planning

Fast Faxes

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Estate, Tax and Family Wealth Preservation Planning For Advisors

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DO YOU KNOW WHO YOUR CLIENTS' IRA BENEFICIARIES ARE?

Mistakes in IRA Beneficiary Designations Can Be Costly!

Millions of Americans have billions of dollars invested in Individual Retirement Accounts and other tax-deferred plans. And they desperately need accurate advice from their advisors about the right way to structure their beneficiary designations for maximum family wealth and tax planning.

Most married couples name the spouse as beneficiary. But what happens if both spouses die together? Or if your client is single? Or has multiple beneficiaries? Or passes away *before* the required beginning date? *After* the required beginning date? Have you discussed with your clients what the rules and the tax implications are in each of these instances?

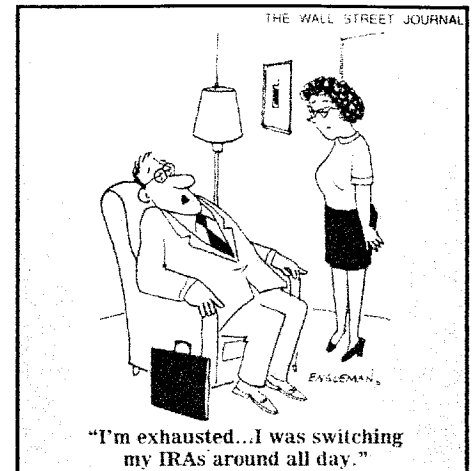
The wrong beneficiary designations may cost your clients *many thousands of dollars* in unnecessary income and/or estate taxes. Here's an example: If your client with one child names his/her spouse as sole beneficiary and both spouses die in a common accident without a contingent beneficiary, most IRA agreements, by default, will pay the IRA to your client's *estate*, possibly requiring the IRA to be paid out *within*

five years. Proper beneficiary designation planning would allow the IRA to grow tax-deferred and pay out over your deceased clients' *child's life expectancy*, which may be decades!

At Price & Farrington, we believe that the key to successful estate planning is developing a collaborative effort among all the advisors. Each professional – *lawyer, accountant, insurance advisor and financial planner* – plays an important role in the estate planning process. Properly structuring beneficiary designations for IRAs is an area ripe for the team approach. *You* are a vital member of the team. It's crucial that you choose your teammates carefully in your clients' best interests.

If you have successful clients who need help negotiating the minefield of rules for IRA beneficiary designations, please contact our office. **If you would like to learn more about beneficiary designations or have questions involving other estate planning issues, give us a call and let us serve as a resource for you in strengthening your relationship with your clients.** ☐

Call us for copies of our Spring/Summer client newsletter: "Estate Planning Briefs"

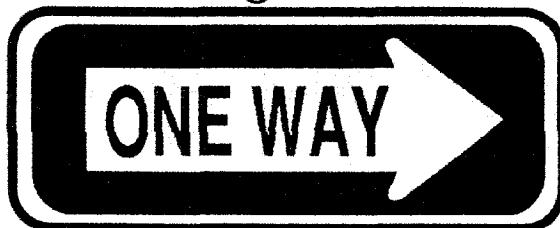


An invitation to you and your clients! Visit us on our **Estate Planning Learning Center** web site at: www.estateplanning.com/pricefarr. Preview a 40-slide online presentation on "Understanding Who Should Be the Beneficiary of Your IRA." Our web site also includes FAQ, estate planning articles, two other slide presentations and an Estate Tax Calculator. Enjoy!

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- ☛ Probate Representation
- ☛ Estate Tax Planning
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In the Right Direction.



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