INADEQUATE ESTATE PLANNING CAN BE VERY TAXING . . .

- As much as 45% to 48% of your life insurance may be lost to estate taxes.
- If your estate is subject to estate tax, the government may take almost 40% (up to 48% in large estates) of any amounts over $1.5 million (in 2004).
- Even assets passing to your spouse free of estate tax can generate additional and unnecessary estate taxes to your family after your spouse's death.
- Estate planning focused on retirement plan assets (including IRAs) can defer the taxation of a significant portion of those assets for 40 years or more after your death.
- Due to inadequate estate planning, over 60% of the assets of those in the *lowest* estate tax brackets as compared to only 40% of the assets of the *wealthiest* individuals are subject to estate tax.

BERNARD V. KEARSE, III has over 20 years of legal experience, concentrating in the estate planning and employee benefits areas. He is a member of Phi Beta Kappa, holds a Masters in Law degree in Estate Planning and is a Co-Chair of a committee of the Real Property, Probate and Trust Law Section of the American Bar Association.

"What about tomorrow . . . ?"

ESTATE PLANNING . . .

IT'S MORE IMPORTANT THAN YOU THINK

Bernard V. Kearse, III, P.C.

990 HAMMOND DRIVE
SUITE 800
ATLANTA, GEORGIA 30328
(770) 394-9570
(770) 901-9088 (fax)

3060 PEACHTREE ROAD, N.W.
SUITE 1735
ATLANTA, GEORGIA 30305
(404) 504-8700
(404) 504-8710 (fax)

DID YOU KNOW . . .

- If your will was prepared in another state, it may be invalid?
- Without a valid Georgia will, your spouse may not receive all of your property?
- If you have named a guardian for your minor children but not a trustee, the probate court will decide who manages their money and must give them the entire amount at age 18?
- Without planning, proceeds of your life insurance policies will be included in your estate for estate tax purposes?

HOW BIG IS THE ESTATE TAX BITE?

The following table shows the maximum tax rate applicable after applying the Unified Credit Equivalent.

YEAR	UNIF. CRED. EQUIV.	TOP RATE
2003	1,000,000	49%
2004	1,500,000	48%
2005	1,500,000	47%
2006	2,000,000	46%
2007	2,000,000	45%
2008	2,000,000	45%
2009	3,500,000	45%
2010	N/A-Repealed	0%
* 2011	1,000,000	55%

Growth of your present assets and inflation have a major impact on your estate when compounded over the years.

*The estate tax repeal "sunsets" in 2011 at which time the estate tax will be reinstated automatically, unless Congress takes further action.

WHAT CAN AN ESTATE PLAN DO FOR YOU?

A well-designed estate plan may

- protect your assets and family in a second marriage environment or from a spouse's remarriage after your death,
- allow you to control how your estate is distributed and administered, and if desired, preserve your family's privacy,
- reduce, defer or eliminate estate taxes and legal and administrative costs, and
- allow you to plan for the possibility of your or your spouse's incompetency or incapacity.

"Why should I be willing to pay the government almost one-half of my property when I can avoid doing so with proper estate planning?"

WHAT YOU CAN DO . . . PUT AN ESTATE PLAN INTO PLACE.

A simple will is often adequate for single and married individuals with smaller estates whose children are over age 21.

A will containing a contingent trust is desirable for single and married individuals with smaller estates and with minor children or other situations where a trust under the will would be beneficial.

A will containing a credit shelter trust benefits married persons in that up to $3 million (in 2004) of your assets may pass tax-free to your children through a trust that benefits your spouse during his or her lifetime. (For collective estates over $1.5 million in 2004.) Trusts of this nature can also assure that property will stay in your blood line even in a second marriage or if your spouse remarries after your death.

An irrevocable life insurance trust may remove life insurance proceeds from both spouse's estates, thereby avoiding estate taxes on those proceeds.

A revocable trust may be helpful in avoiding probate, creating privacy or planning for incapacity.