



## Points to consider in selecting an estate planning attorney

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**Q: We are finally ready to address our estate planning needs, such as our wills, trusts and protecting our assets. What are the most important considerations when selecting an estate planning attorney? What are the most common estate planning mistakes?**

The Problem: Choosing the right estate planning attorney to avoid common mistakes.

A recent internet-based yellow pages search for lawyers lists over 80 results in Princeton alone. Their services range from arbitration to tax law. With so many firms to choose from, matching your needs to the professional's expertise can be an arduous task.

The Solution: A little due diligence goes a long way.

Because estate planning is based on a series of ever changing laws, it is critical that you engage an estate planning attorney who devotes a significant portion of their time and resources to estate planning. Otherwise, the end result could be disastrous and financially devastating. Interview the estate planning attorney you are considering engaging.

Ask pointed questions, such as: What percentage of your practice is devoted to estate planning? What is your expertise in tax law? Will you consult with my financial planner to review all aspects of my wealth? If you are not provided with clear answers move on to the next candidate.

A strong estate planning attorney should help you navigate the treacherous terrain known as estate planning. They should be well aware of the common estate planning mistakes and how to avoid them. Making even a small mistake throughout the process could cost you and your loved ones pain, suffering and financial hardship.

Common mistakes your estate planning attorney can help you avoid:

- Not having an estate plan.

Without a will, living will, durable powers of attorney for healthcare and property or Letters of Guardianship, the state will likely decide the distribution of your assets and the caring of your loved ones. An estate plan clearly defines the distribution of your assets, how and if care will be provided in the event you cannot exercise control over your medical care and who will act as the guardian for your children and other dependents.

- Not providing for your family when you pass.

Father time has a way of teaching us lessons when we least expect them. In the event you, your spouse or both of you were to pass unexpectedly, you may leave a large financial burden to those you leave behind. Without a source of financial security, your family may be forced to sell their home, relocate to a new town or forgo a college education.

Your financial planner and estate planning attorney can implement strategies to protect your loved ones. One of the simplest strategies is life insurance.

- Not protecting your estate from estate taxes.

Based on your net worth, your estate could be subject to estate taxes of over 70 percent. This excessive amount is in part due to New Jersey's graduated state estate tax. Imagine working your entire life and less than 30 percent of your net worth passes to your loved ones.

Your estate planning attorney can utilize trusts, such as a bypass trust or an irrevocable life insurance trust, to protect your estate from unnecessary federal and state estate taxes.

- Not designating beneficiaries on assets.

Without designating a beneficiary on assets, such as 401(k) plans and IRA's, the assets may be subject to unnecessary taxes. Beneficiary designations on retirement accounts supercede your will. Imagine the entire balance of your 401(k) or pension account distributed to an ex-spouse, when that was not your intent.

Your financial planner and estate planning attorney can review your beneficiary designations to confirm they are consistent with your wishes.

- Not understanding Medicaid, Medicare and long term care.

Unless you want the state of New Jersey to determine the quality and location of your long term care, have a course of action. An estate planning attorney with expertise in elder law can execute a sound strategy of protecting your assets and assuring the quality of care you receive.

In conjunction with your financial planner, an estate planning attorney can identify solutions to protect your interests throughout your working career and throughout retirement.

Action Steps:

Conduct due diligence when selecting an estate planning attorney. Verify that they will work closely with your financial planner in reviewing and implementing various strategies. Engage an estate planning attorney who devotes a significant portion of their time and resources to estate planning and has expertise in the areas that impact you and your family.

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