

What's the State of your Estate?

Vorys attorneys: Recent changes to estate tax laws mean it's time to look at your plan again.

By Jeanette McClellan
Photography by Wes Battoclette

As an executive, you've worked hard to build your company and your assets. Your life's work is something to be fiercely protected. And why trust less than the best?

That's where Vorys, Sater, Seymour and Pease LLP comes in. The law firm takes a novel team approach when it comes to estate planning. And now that estate laws have changed, taking a first or fresh look at your estate is especially important.

"A lot of estate planning for business executives has historically been focused on effective tax planning for state and federal estate taxes," says Michael Schwartz, a Vorys partner. "Upon their death, people would lose 30 to 40 percent of the assets they had accumulated to such taxes, so a lot of estate planning focused on how to minimize and replace such taxes using techniques such as trusts and life insurance."

Schwartz says that while this type of estate planning often had adverse income tax planning consequences, the estate tax benefits outweighed those concerns.

"But the landscape has dramatically changed," he adds. "In 2013, Ohio completely did away with estate taxes, and federal estate taxes didn't apply to estates under \$5,250,000 for individuals and \$10,500,00 for married couples."

What does this mean for you? Most executives no longer have to worry about the estate tax concerns. But it also means pre-2013 estate plans need to be updated to take advantage of valuable income tax planning opportunities.

Vorys takes a team approach to balancing tax issues, flexibility and protection of your assets over the long term. "Everyone's goal is to help the next generation," says Schwartz, "without hindering their initiative. At Vorys, we take a team approach which involves the executive's accountant, investment adviser and life insurance adviser. No one has all the answers, but by combining talents, executives get the best estate plan which combines maximum tax benefits with a plan that really works."

One example of when this team-minded approach is effective is when it comes to distributing 401(k) and IRA accounts. These are a significant portion of many executives' estates and it is important to consider both tax advice and broader estate planning perspectives.

It's also key when it comes to overall asset protection. "Our clients are becoming increasingly interested in asset protection," says Vorys associate Emily Pan. This can help protect your estate from judgments resulting from litigation, creditor issues and failed marriages, among other issues.

"The key to any asset protection strategy is that it cannot be used to shield assets from current creditors, only future creditors," adds Pan. "Therefore, asset protection planning is something you do sooner rather than later, because if you wait until the problem arises it is too late."

Like most things, she says, "there is not a one-size fits all strategy."

For more information, call 513.723.4679 or visit www.vorys.com.

Standing: Michael Schwartz, David Groenke and Kathy Cain **Sitting:** Emily Pan, Colleen Laux and Mark Noel

