

9 Estate Planning Mistakes to Avoid

Tina Vervoorn

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Stephen J. Kipp, CEO and president of KBD & Associates in Ventura, CA offered the following mistakes to avoid when planning a personal estate.

With increased home values, well-funded retirement accounts, and hefty life insurance policies, many retirees today not only have enough money to live comfortably but are also likely to have wealth to distribute at the end of their lives.

"Planning an estate can be complicated and there are many factors to consider," says Stephen J. Kipp, CEO and

Tina Vervoorn



Consortium Media's Five Pillars of Marketing Success©

Today's media world is complex. Consortium Media Services (CMS) navigates and saves clients money with our unique 5 Pillars of Marketing Success© - a blend of advertising, public relations, promotions, web integration, and creative to build names into breakaway brands that are leaders in their respective category.

Advertising
The 18-year history of Consortium Media Services allows for preferred media and non-profit rate structures that are legendary. We literally save our clients thousands of dollars on media costs. In addition, our work with many non-profits, including the Ventura Music

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president of Kipp Brant Drummond & Associates in Ventura. "While there are many options and intricate details to take into account, there are

Festival, have resulted in hundreds of thousands of dollars of in-kind promotional coverage in local target markets areas.

Promotions
CMS has worked with the L.A. Dodgers, Albertsons, McDonald's and other high profile firms in various charitable and retail programs. One of CMS's most successful assets, promotions, will bring speed to timelines as additional awareness is built faster to clients through promotion and marketplace partnerships.

Public Relations
The Public Relations Division at CMS has consistently delivered many articles and managed press relations for numerous companies. Our "good news" approach delivers results and effectiveness. Over the past 10 years, CMS has developed solid relationships with key publishers, editors and reporters in Ventura County and throughout Southern California.

Web Integration CMS maintains and builds increased brand consistency in our web programs and has designed and

integrated electronic components into many traditional media programs. Our latest design, Grossman Imaging Centers website, reflects its new iconic materials, brochures and folders and properly reflects the company's commitment to excellence.

Creative

At CMS, our Creative Services Department is intimately tied to brand work, using all the various disciplines that make us an effective media management company on every level with the ability to carry out an exciting, sustained brand awareness campaigns.

About the CMS Team
Denise Bean-White,
President / Owner
Denise has more than 27 years of hands-on experience in direct mail, newspaper, radio, network television and station management. Her trend analysis, brand work, and work stratagem media packaging delivers outstanding and cost effective results. She is dedicated to her client's success. Denise is responsible for developing branding and marketing strategies and maintaining client

relations.

Jennifer Curtis, Vice President / General Manager

Jennifer's diverse background includes experience in the video game industry and with Paramount Studios. Jennifer's strength lies in her ability to create branding that translates seamlessly through a variety of media. Jennifer is analytical and multifaceted: able to write copy, direct production, and manage multiple projects simultaneously. She assists with executive management and in maintaining client relations.

Emily Raab, Creative Director

Emily has 9 years of experience in creative design services. She has an exceptional ability to capture and express a company's brand through the power of design and relate a cohesive message throughout all facets of corporate communication from print to web and everything in between. Emily manages creative design development and oversees print and materials production.

Tina Vervoorn, Public Relations Manager

Tina has more than 8 years of experience working as a journalist, editor, photographer, and designer for a major newspaper. At CMS, she maintains positive relationships with local and national media outlets and crafts enticing press releases and supporting documents to ensure optimal coverage in various media. Tina is responsible for all public relations efforts and publicity with the media.

Denise Hodgson,
Office Manager /
Media and Traffic
Coordinator
Denise's excellent eye for detail is a tremendous asset to CMS. She skillfully manages to handle all facets of the firm's bookkeeping and accounting, as well as traffic administration and media plan maintenance, including assisting with media plans, facilitation and invoicing.

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nine top points to consider when planning an estate."

1. Assuming you do not need an estate plan because you do not owe estate tax.

With estate tax laws in flux, whether your estate is large enough to owe estate taxes may depend on when you die. "Even if taxes are not an issue, estate planning can ensure your assets are controlled according to your wishes if you're incapacitated and parceled out appropriately at your death," Kipp says. "An estate plan also helps to avoid costs and delays of probate while minimizing emotional and financial burdens on beneficiaries."

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2. Not having a will.

A will lets you specify who gets what and could help minimize estate taxes. Without a will, state law will govern your probate estate, with the government deciding who gets what. Depending on your state of residence, if you are survived by a spouse and children, your estate will typically be divided among them, even if you had something else in mind. "Without a will, your estate could end up paying more than it should in taxes and legal fees," Kipp says.

3. Not having a final wishes document.

What happens if you change your mind about who gets your favorite jewelry or whether you want to be buried or cremated? "Although it is not legally binding in every state, an addendum to a will, a final wishes document, allows you to provide direction to heirs to help avoid conflicts," Kipp says.

4. Leaving your entire estate to your spouse.

While many couples leave all assets to one another, this is not always the best strategy. Trusts, which come in many varieties, may help you fine-tune your estate plan, and are typically less vulnerable than wills to legal challenges, while still providing asset protection.

5. Owning all assets jointly.

Most couples own property jointly, with rights of survivorship, meaning that upon the death of one spouse the jointly-owned property automatically passes to the surviving spouse, avoiding probate. This may not be the best choice in all situations. For example, owning property separately could make it possible to fund a trust and take better advantage of the estate tax exemption.

6. Not considering annual gifts.

Using yearly gifts to distribute your estate while alive can be immensely satisfying, and it takes advantage of an annual gift tax exclusion that allows tax-free gifts each year of up to \$12,000 each to an unlimited number of recipients (if you give with your spouse, the limit is \$24,000). The \$1 million lifetime gift tax exclusion can be used to make even larger gifts. Any gift provided now avoids potential estate taxes later.

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7. Failing to consider the benefits of charitable contributions.

Fulfilling philanthropic goals can also have many tax benefits. Your estate can take a deduction for

gifts-including cash, personal property, real estate, and certain investments-made to charitable organizations upon your death (charitable gifts during a lifetime are also deductible, and reduce the size of taxable estates). Other options to consider are a charitable remainder trust that pays a lifetime income to you and distributes remaining assets to a charity at your death, or a charitable lead trust, which reverses the equation, paying the charity now and your heirs when you die.

8. Keeping life insurance in your taxable estate.

"Life insurance benefits are not taxed as income but they do go into your estate and could increase your heirs' estate taxes," Kipp says. "An alternative is to own a policy owned by an irrevocable life insurance trust that can pass along proceeds without tax liability."

9. Failing to update estate strategies periodically.

"Everyone's circumstances change; wealth may increase or decrease, new children may be born while others reach adulthood, and you could be widowed or divorced and remarry, adding the complications of a second family," Kipp says. "It is important to take the time to regularly review your estate plan and make any revisions necessary when they happen."

About Stephen J. Kipp, MBA, PFP

As president and CEO of KBD & Associates, Stephen J. Kipp leads a talented team of professionals dedicated to making client goals the center of our universe. With more than 35 years of combined professional experience, he has a wealth of diversified knowledge and insight that has helped generations of clients.

Kipp earned the professional designation of Personal Financial Planner (PFP) through the UCLA Graduate School of Management, his MBA from Cal State Northridge and a Master's in Public Administration from USC. He holds NASD Series 24, Series 7 and Series 63 and Life, Health and Disability License through the California Department of Insurance (CA #0665147).

Deeply involved in the local community, Kipp is dedicated to supporting, working and sponsoring many local non-profit organizations. His support of many of the community based organizations brings a singular approach to clients who also want to be a better part of their community.

For more information, call 805-650-7654, or visit the website at www.kippbrantdrummond.com. For information on brand development, marketing, public relations, advertising or web integration, contact Consortium Media Services at (805) 983-3495 or www.consortium-media.com.