

The “Daily Plan-It™”

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8, 9, 10 Guess-Off!

One of our advisors asked us to write an article on our thoughts on the potential repeal of the estate tax in 2010. The only immediate thought that I have is that the countdown has already begun. This year, we have the \$2 million dollar estate tax exclusion. Next year, we'll have the \$3.5 million dollar exclusion. In 2010, we'll see repeal, no repeal, or something else entirely. What the law will look like, no one really knows. Your “guess” is as good as ours. I'm asked constantly what I think—much to my delight—but, more importantly, I'm asked what planners should communicate to prospects and clients about this situation.

A matter of opinion

Some advisors are of the opinion that the best approach is to tell clients to “wait and see” what the law will be like, and to wait until 2010 to do their planning. Some advisors are of the opposite opinion. Estate planning of some form *always* needs to be done—or at least updated—and tax issues are only one aspect of the planning process that families should tackle. There are many financial and tax concerns confronting clients. Selecting the right guardian for a minor child is one example. Tax planning may impact the process, but it's clearly not the main motivation for planning. Certainly we all know and live this point, but it needs to be re-emphasized nonetheless.

With that point clarified, here are some thoughts that I'd like to share on how to discuss this issue with your clients.

1. It's your client's guess that counts

I've already stated this, but truth be told, this has become my most constant response. I suggest saying something along the lines of: “*Well, Mr. and Mrs. Client, I know that you respect my opinion, but before I give it to you, what do you think the new law will be?*” I'm always pleasantly surprised at the responses. The majority have stated that it really doesn't matter, because no matter what, “*I'm going*

to get taxed some how, some way, and I'm not going to like it.” (This has been my favorite response.)

2. Ignore the Estate Tax

The other response that you can give is: “*Mr. and Mrs. Client, is there a reason that you think you need to do some planning, other than your concerns about the estate tax?*” This is a good question. You can phrase it anyway you'd like, but it's quite effective. If the estate tax isn't an issue, why else does your client think it's important to do planning? This opens other non-tax reasons that are usually far more important than the tax concerns ever will be.

Let us help

If you have any prospects or clients that you need assistance with when having this particular conversation, please don't hesitate to call and get us involved. As always, thanks for your referrals and support.

Hoopes & Adams, PLC

Hoopes & Adams appreciates the confidence you place in us when referring your clients for their estate planning and business needs. We greatly enjoy working with you, our allied professional advisor. We will ensure the trust you place in us when making a referral is well earned and reflects well on you. Our first priority is to make sure the confidence your clients place in you is enhanced when they work with us. We look forward to working with you, our friends and colleagues. Allow us to be your resource for your estate and business planning issues and questions. Please contact Ron Adams or Eric Wilbanks at (480) 345-8845 or by email at radams@halaw.com or ewilbanks@halaw.com if we can help you in any way. We look forward to working with you and hearing how we can help.

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