

Worth Knowing

The Revenue Stream
Presented by
Wilson Law Group- LLC
~Spring 2016~

Dispelling a Malicious Myth: Irrevocable Trusts Aren't Irrevocable

It's counterintuitive- we know: irrevocable trusts are revocable (and amendable). Unfortunately- irrevocability is a malicious myth. The uninformed could spend years relying on an old- out-of-date trust that could be updated and improved without too much effort. Yes- the so-called "irrevocable trusts" absolutely can be- and often- should be modified.

In this issue- we'll identify:

- 10 reasons you may want to modify your irrevocable trust
- 5 ways to modify your irrevocable trust
- 3 circumstances when trust modification should be considered
- When to contact our office to have your trust reviewed for potential modification

10 Reasons You May Want to Modify Your Irrevocable Trust

You may modify "irrevocable" trusts to:

1. Add or remove a trust protector or advisor
2. Add or remove beneficiaries
3. Adjust or remove a power of appointment
4. Change the trustee- the provisions governing the trustee- and/or the trustee's powers
5. Minimize income taxes or estate taxes
6. Modify distribution terms or patterns
7. Transfer the trust to a new jurisdiction
8. Obtain a step-up in basis and save taxes
9. Qualify a beneficiary for government benefits
10. React to changes in the trust's governing law

ALERT: You don't have to "make do" with an out-of-date trust or assume you can't make modifications. Chances are you can.



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Planning Tip: If you are unsure whether your irrevocable trust can be modified – or whether the current version does what it was intended to do – call our office. A simple conversation and a review of the trust document is all it takes to ensure you’re maximizing your trust’s benefits.

5 Ways to Modify Your Irrevocable Trust

There are generally five ways to modify an irrevocable trust:

1. **Judicial Reformation.** We ask a judge to restate the trust to match the trustmaker’s intent. **WARNING:** Not all states allow judicial reformation.
2. **Conversion (Judicial or Non Judicial).** The criteria for payment of income from irrevocable trusts can vary widely. For example- some irrevocable trusts require the payment of income to trust beneficiaries- whereas others instead allow (but do not require) payment of income. In a conversion- we invoke trust provisions or state law to convert the existing type of trust into another that’s more appropriate for current circumstances.
3. **Modification (Judicial or Non Judicial).** We change the terms of the trust by agreement or by court order to meet the trustmaker’s tax-saving objectives and intent - or - we show an unforeseen change of circumstance that would frustrate the trust maker’s intent.
4. **Invoke the Trust Protector or Advisor.** We invoke the trust protector or advisor’s authority to act. The trust protector or advisor has authority to modify the trust within certain parameters – without going to court.
5. **Decant the Trust.** We take the funds from an existing trust and transfer them into a new trust with more favorable terms. This is sometimes referred to as a “do-over” trust. **WARNING:** Not every state allows for decanting.

ALERT: You don’t have to figure out the best way to get more favorable trust terms. We can help you. No more muddling through with an out-of-date trust.



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Planning Tip: Sometimes- we can combine several of these methods together to accomplish what might otherwise seem impossible. A simple conversation and a review of your existing irrevocable trust is all it takes to make sure you're maximizing your trust's benefits.

3 Instances When Trust Modification Might Be Appropriate

Life changes as it unfolds. Here are three common circumstances when modifying an irrevocable trust could be appropriate:

1. **Tax Law Is No Longer Relevant.** Irrevocable trusts are often created to save paying federal estate taxes in relation to a specific tax law. When that tax law is revised or ceases to exist- the trust should be modified or terminated.
2. **Family Circumstances Change.** Irrevocable trusts are often created to provide for family members. However- when family circumstances change due to a birth- death- or anything else- it's important to modify the trust to reflect those changes.
3. **Errors Are Discovered.** Most attorneys are diligent when it comes to creating irrevocable trusts and we always try to bat 1000. However- even a small mistake can have legal consequences. For example- Bill gets translated as Will or the trust property at 21161 Main Street gets translated as 21611 Main Street. When errors are discovered- the trust should be modified as soon as possible to reflect the trustmaker's true intent – and protect the beneficiaries.

When to Contact Our Office About Your Irrevocable Trust

If you have an irrevocable trust- which may have become irrelevant due to changes in the law or changes in circumstances- call our office. We'll help you by determining whether your trust can and should be modified- as well as the best way to achieve your goals.

Although it's counterintuitive- irrevocable trusts are actually revocable and amendable. Don't fall prey to malicious myths or muddle through with an old- outdated trust when you can turn that musty old trust into a new trust that fixes problems- corrects errors- and more closely addresses the trustmaker's intent. Call our office now to review your trust to see if a modification is in order.



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RWay Workshops

Our Final Symposium for the 2015-2016 Season is Around the Corner!

Don't forget to sign-up for our RWay educational workshop symposiums.

May 21- 2016

We look forward to seeing you there!

Location: Clarion Suites at the Alliant Energy Center 2110 Rimrock Rd- Madison- WI 53713

Symposium 3

Saturday, May 21, 2016

8:30 a.m. Trustee Training: <i>The Trust Process</i>	8:30 a.m. Income Taxes for Trusts
Break	
9:45 a.m. Trustee Training: <i>Administration Process</i>	9:45 a.m. Leaving a Legacy
Break	
11:00 a.m. Funding Your Trust	11:00 a.m. LegalVault

3 Ways to RSVP

Call for Registration

608-833-4001

Email

charly.hernandez@wilsonlawgroup.com

Our Website

www.wilsonlawgroup.com

(For RWay Members and Guests Only)



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Income Taxes for Trusts

Presented by John Haslam

Income Taxes are often a secondary discussion topic during the course of planning an estate. However, basic knowledge of trust and estate income tax rules is essential to avoiding common mistakes that can cost thousands of dollars. This program will provide a practical overview of the issues that arise in connection with the income taxation of trusts and estates.

Leaving a Legacy

Presented by Laura Wilson

It is important to protect your assets in an estate plan, however there is much more to it than that. Your estate plan protects your family's privacy, as well as protects them from the stress of probate and potential disputes. The right estate plan will protect the legacy you leave with younger generations and the world. How you want to be remembered can be more important than the financial benefits of your plan.

Client Testimonials

"We appreciate your workshops and your efforts in keeping us informed on law changes which have an impact on us. Thank you."

"I like coming to see you once a year to revisit our trust and review any changes in the law that affect us."

WORKSHOP OFFERINGS

May 21, 2016

Funding Your Trust

Presented by Dan Purtell

Funding is a critical function of maintaining your trust. Even though your current assets are in your trust, it is your responsibility to make sure that all assets acquired in the future are also in your trust. We are here to help you learn what to do and when to do it. This workshop will help you understand how to properly maintain your trust. This class provides essential information to correctly fund your trust, so be sure to sign up if you haven't yet taken the class.

LegalVault

Presented by Barb LaBarge

This workshop is for anyone who would like to learn more about the benefits and functions of their LegalVault account. LegalVault enables you to keep, track, and review your documents outside of your regular estate planning meetings, control access to your estate planning documents, and add additional documents to your vault that requires privacy. LegalVault also allows physicians and hospitals to have access to your medical directives at a moment's notice.

Trustee Training:

The Trust Process

Presented by Daniel Purtell

The program will provide attendees with an understanding of estate planning concepts, why a trust is useful in family planning, and an introduction to the trust administration process. Attendance is a must for every trustee of every trust. A workbook will be included. We encourage you and your successor trustees to attend this workshop. This program is a precursor for the Trustee Training (*The Administrative Process*) program.

Trustee Training:

The Administrative Process

Presented by John Haslam

This program was designed for successor trustees. Prior attendance at the Trustee Training (*The Trust Process*) program is highly encouraged. The Trust Administration workshop provides trustees with a detailed description of the decisions to be made and the tasks to be completed following the death of a trust maker. These include valuing assets, administering retirement plans and annuities, dividing and distributing trust assets, and preparing estate and fiduciary income tax returns. It is important to know how to handle these responsibilities before the need exists.



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Annual RWay® Forum

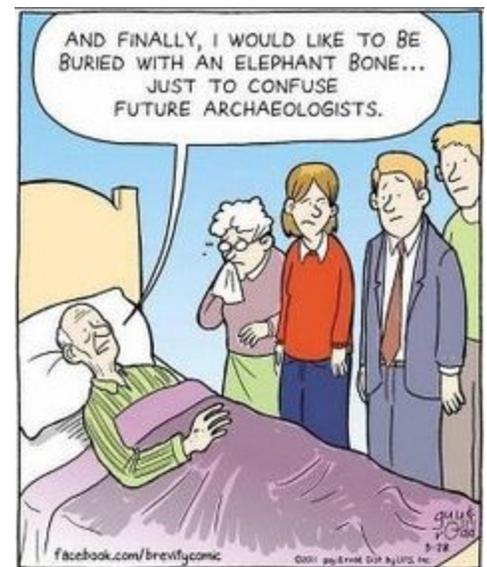
We would like to say thank you to everyone who attended the Spring Forum dinner on April 4- 2016. It was an enjoyable evening with humorist- Brian Udermann- reminding us of the health benefits of laughter- and the warm fellowship.

We value your feedback and hope that you take the time to complete and return the evaluations- so we can continue to make this an enjoyable event for all. We are looking forward to next year already- as we are planning some exciting things for our RWay members.



Before National Humor Month Passes Us by a Little Estate Planning Humor...

Dan was a single guy living at home with his father and working in the family business. When he found out he was going to inherit a fortune when his sickly father died- he decided he needed a wife with which to share his fortune. One evening at an investment club meeting he spotted the most beautiful woman he had ever seen. Her natural beauty took his breath away. "I may look like just an ordinary man-" he said to her- "but in just a few years- my father will die- and I'll inherit 20 million dollars." Impressed- the woman obtained his business card. Three days later- Dan had a stepmother.



Mrs. Agren- a 5th grade math teacher- posed the following problem to one of her classes: "A wealthy man dies and leaves ten million dollars. One-fifth is to go to his wife; one-fifth is to go to his son- one-sixth to his butler- and the rest to charity. Now- what does each get?" After a very long silence in the classroom- Little Mikey raised his hand. The teacher called on Little Mikey for his answer. With complete sincerity in his voice- Little Mikey answered- "A lawyer!"

A couple left their attorney's office after meeting to discuss the preparation of their Wills. On the drive home- the following conversation takes place:

Husband: You know honey- I've been thinking. If I die- I don't want you to be alone. I want you to get remarried. And- really- there's no reason for you to sell the house; so it's ok if you and your new husband live in our house. And come to think of it- we have two fine cars- so I wouldn't have a problem with him driving my car. In fact- I wouldn't have a problem with him using my tools- my fishing rods or our lawnmower. There's just one thing that would bother me. I just don't want him using my golf clubs. That would be too much for me- so just sell them in a garage sale- OK?

Wife: I wouldn't worry about that honey. He's left-handed.



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In celebration of the 100 year anniversary of the birth of Frank Sinatra.



In one of his most iconic songs- he sang the lyrics- “I planned each charted course- each careful step along the byway and more- much more than this- I did it my way.” It was his careful forethought and visionary planning of his estate that inspired the trade-name of Wilson Law Group’s Client TrustCare Program- RWay®. In remembrance of his life and legacy we have compiled some photos and quotes for you to enjoy!

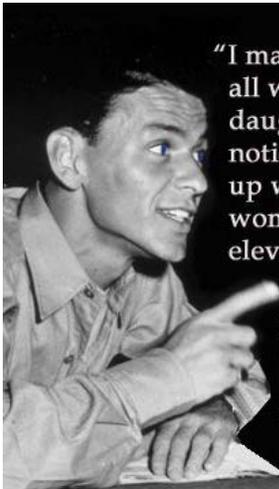
*A simple
I love you means
more than money.*



“A friend to me has no race, no class and belongs to no minority. My friendships were formed out of affection, mutual respect and a feeling of having something strong in common. These are eternal values that cannot be racially classified. This is the way I look at race.”

“If you don’t know the guy on the other side of the world, love him anyway because he’s just like you. He has the same dreams, the same hopes and fears. It’s one world, pal- we’re all neighbors.”

For as rich as you are, it's much better by far To be young at heart.



“I may sound old-fashioned, but I want to think all women should be treated like I want my wife, daughters and granddaughters to be treated. I notice today that good manners -- like standing up when a woman enters the room, helping a woman with her coat, letting her enter an elevator first, taking her arm to cross the street -- are sometimes considered unnecessary or a throwback. These are habits I could never break, nor would I want to. I realize today a lot more women are taking care of themselves than in the past, but no woman is offended by politeness.”
~ Frank Sinatra

“I would like to be remembered as a man who had a wonderful time living life, a man who had good friends, fine family – and I don't think I could ask for anything more than that, actually.”



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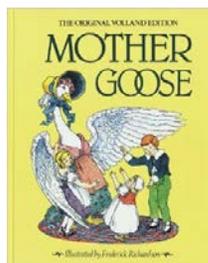
In honor and observance of **MEMORIAL DAY**

Our offices will be closed Monday- May 30- 2016

While for many Memorial Day marks the beginning of a long stretch in between nationally recognized holidays (and institutionalized days off from the workplace)- there are many unsung holidays to be celebrated between then and Labor day.



May 1 - Mother Goose Day



May 4 - Star Wars Day

May 8 - Mothers' Day

May 18 - Visit Your relatives Day

May 21 - Armed Forces Day



June 2- Go Barefoot Day

June 7 - National Chocolate Ice Cream Day

June 14 - US Army Birthday

June 19 - Fathers' Day

July 3 - Compliment Your MirrorDay

July 4 - Independence Day

July 13 - Embrace Your Geekness Day

July 3 - Compliment Your Mirror Day

July 4 - Independence Day

July 13 - Embrace Your Geekness Day

July 24 - Parents' Day

July 24 - Cousins' Day

July 25 - Thread the Needle Day

August 10 - National S'mores Day

August 15 - National Relaxation Day

August 17 - National Thrift Shop Day

August 21 - Senior Citizens' Day

August 25 - Kiss and Make up Day

August 26 - National Dog Day



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