

# The Building Blocks of Estate Planning Techniques Cheat Sheet

<h2>Wealth Stages</h2> <p>Determining an appropriate planning technique hinges largely on a client's wealth stage.</p>	<h2>Objectives</h2> <p>After wealth stage, the next building block to consider is what "objective" the plan aims to achieve.</p>	<h2>Timing &amp; Deployment</h2> <p>Consider whether a technique is necessary and should be implemented now or can be a beneficial opportunity over time if suitable conditions arise.</p>
<p><i>Wealth stages:</i></p> <ul style="list-style-type: none"><li>● <b>Base</b> The amount of money someone needs during their (and their family's) lifetime to live according to the lifestyle they choose</li><li>● <b>Cushion</b> The base amount plus additional assets to maintain a "rainy day" fund for unexpected developments such as health issues and/or investment performance</li><li>● <b>Excess</b> Wealth that far exceeds what is required or desired during a person or their family members' lifetimes</li></ul>	<p><i>Trust components:</i></p> <ul style="list-style-type: none"><li>● The time period of the trust</li><li>● The annual income distributions</li><li>● The lump sum distribution of the trust's remainder at the end of the time period</li></ul> <p><i>Variables related to a trust's goals:</i></p> <ul style="list-style-type: none"><li>● Taxability</li><li>● Who pays the tax</li><li>● Who the income and remainder beneficiaries are</li></ul>	<p><i>Conditions might include:</i></p> <ul style="list-style-type: none"><li>● <b>Fiscal policy:</b> Absolute and relative tax rates as well as allowable exemption or exclusion amounts within current legislation</li><li>● <b>Monetary policy:</b> Absolute and relative interest rates that determined the "hurdle rates" above which techniques might be successful</li></ul>

# The Building Blocks of Estate Planning Techniques Cheat Sheet

Wealth Stage	Techniques to Consider by Objective					Priority of Estate Technique	Implementation Consideration for Estate Technique	Investment Management Opportunity	Preferred Financial Market Environment		
Base <i>(accumulate enough wealth for their lifetime)</i> OR Cushion <i>(maintain "rainy day" funds for unexpected developments)</i> OR Excess <i>(more wealth than needed)</i>	Legacy	Estate Tax Planning <i>(during life)</i>	Estate Tax Planning <i>(after death)</i>	Income & Estate Tax Planning	Income Tax Planning	Necessary OR Opportunity	Fiscal Policy <i>(exemption amounts and tax rates)</i> OR Monetary Policy <i>(interest rates determining AFR and 7520 rates)</i>	Asset Allocation OR Asset Location <i>(cost basis, growth, tax-efficiency)</i>	Interest Rates <i>(high or low)</i>	Investment Returns <i>(high or low)</i>	
Base					Dividends & Capital Gains	Necessary	Fiscal	Allocation			
		Healthcare Proxy									
		Power of Attorney									
			Life Insurance (term)				Monetary			High	Low
			Pour-Over Will						Low Basis Assets		
		Annual Gift Tax Exclusion				Opportunity	Fiscal	Growth Assets	High	Low	
		Qualified Medical & Tuition Exclusion Gifts					Fiscal				
					Charitable Tax Deduction		Fiscal	Low Basis Assets			
					DAF		Fiscal	Low Basis Assets			
		Revocable/Living/Inter Vivos Trust							Tax Efficient Assets		
	Pot Trust - Asset Protection						Tax Efficient Assets				
Cushion		Bypass Trust/Credit Shelter				Opportunity	Fiscal	Tax Efficient Assets			
		SLAT					Fiscal	Tax Efficient Assets			
		GRAT					Monetary	Growth Assets	Low	High	
		Sales to IDGT					Monetary	Growth Assets	Low	High	
		IDGT					Fiscal	Growth Assets			
					CRUT		Monetary	Low Basis Assets	High	Low	
					CLAT		Monetary	Low Basis Assets	Low	High	
					Testamentary Trust				Low Basis Assets		
	Private Foundation	Private Foundation	Private Foundation	Private Foundation	Private Foundation			Fiscal	Low Basis Assets		
			ILIT (permanent)					Monetary	Tax Inefficient Assets	Low	High
Excess		Lifetime Exemption				Opportunity	Fiscal	Growth Assets	High	Low	
		Marital Trust and QTIP					Fiscal	Tax Efficient Assets			
		DSUE					Fiscal	Growth Assets			
	Pot Trust								Tax Efficient Assets		
	Family Trust								Tax Efficient Assets		
		QPRT					Monetary	Tertiary Residence			
	GST						Fiscal	Growth Assets	High	Either	
					Dynasty Trust				Growth Assets		