Save The Dates

Annual Holiday Social  
December 1, 2014  
5:00pm - 7:30pm  
Registration Open!

February Half Day Program and Ice Cream Social  
February 2, 2015  
11:15am-4:30pm

Annual Golf Tourney and Spring Banquet  
April 20, 2015  
12:45 Shot Gun Start

Reminders and Resources

Leimberg
Leimberg is a valuable and wonderful resource for keeping up to date on recent changes related to estate planning. This service is provided to our members at no additional cost. Visit Leimberg.com to view the value of this great resource to members.

Accredited Estate Planner® Designation:
Professional estate planners can now achieve an accreditation that acknowledges their experience and specialization in estate planning. The Accredited Estate Planner® designation is available to Attorneys, Chartered Life Underwriters, Certified Public Accountants, Certified Trust and Financial Advisors, Chartered Financial Consultants, and Certified Financial Planners®.

The AEP® designation is awarded by the National Association of Estate Planners & Councils to recognized estate planning professionals who meet special requirements of education, experience, knowledge, professional reputation, and character. Read more......
Committee News, Reports and Call for Volunteers

The Accredited Estate Planner (AEP) Designation Council Nominated Program Committee is looking for four volunteers to support the evaluation process for nominating AEP candidates to the National Estate Planning Committee (NAEPC). We need a volunteer from each of the following professions: Accountant, Attorney, Financial or Insurance Professional and Trust Officer. Each volunteer should have 15 years of experience or hold the AEP designation. Each year NAEPC allows one AEP candidate nomination per each of the four disciplines from each Council throughout the Country. For this reason we are requesting a volunteer from each discipline. The goal of the AEP Council Nominated Program Committee is to nominate qualified AEP candidates and annually increase AEP population of the CAEPC for each discipline. This year will be the first year for this formal committee. As a result, procedures and processes will be finalized by the new committee members.

Estate Planning Technical Updates and Articles:

“Protecting Your Client’s Estate From Beneficiary Bankruptcy”

New Rules from Clark v Rameker: The Supreme Court recently considered whether an inherited IRA is a protected retirement fund or is subject to creditor’s claims asserted in an IRA beneficiary’s bankruptcy. The bankruptcy exemption provided by 11 U.S.C. §522(b)(3) (C) allows debtors to protect certain funds to help meet their basic retirement needs.

The Supreme Court identified three characteristics of an inherited IRA that establish an inherited IRA is not objectively set aside for retirement: (i) additional money can never be contributed by the beneficiary; (ii) withdrawals can be taken regardless of the beneficiary’s age; and (iii) the entire balance can be withdrawn for any purpose without penalty to the beneficiary.

Read more…..

“Gift Tax Audits Expected To Increase In The Future?”

Gary Ringle

Taxpayers Filed 258,393 Gift Tax Returns in 2012

The IRS 2012 Data Fact Book reports that 258,393 gift tax returns (Forms 709) were filed that year compared to 219,544 in 2011. The most striking difference between the two years is the aggregate amount of the gifts which totaled about $135 billion in 2012 reflecting an increase of $84 billion, or 165%, over the 2011 total of $51 billion. It should be noted that many 2012 gift tax returns were filed in 2013 because the IRS allowed the taxpayer to submit Form 709 by October 15, 2013.

Will the IRS Audit Gift Tax Returns Filed in 2012 and 2013?

Although only 3,164, or 14.2% of the 2012 gift tax returns were audited, many professionals expect the IRS to step up its audit efforts during the next few years based on the Service’s goal to increase its income. Furthermore, the Service has more resources available to devote to the voluminous gift tax returns filed in 2012 as a result of a dramatic decrease in estate tax filings attributable to the high estate tax, gift tax and generation-skipping transfer tax exemption amount which is in excess of $5 million for each spouse.

Read more………………

“Supreme Court Clarifies: Inherited IRAs are not “Retirement Funds”

Charlie Douglas, JD, CFP®, AEP®, Editor

On June 12, 2014, the United States Supreme Court decided Clark v. Rameker, No. 13-299, holding that funds in an individual retirement account (IRA) that a bankruptcy debtor obtained through inheritance are not “retirement funds” that the debtor may exempt from their bankruptcy estate. At long last, the advising community has definitive direction in counseling holders of retirement assets regarding their “protection” from creditor claims in a bankruptcy estate.

Read more………………
“Is your client’s life insurance policy headed for disaster?”

If you ask your clients whether or not they have life insurance, they would probably reply yes. If you ask them, do they understand the mechanics of how their policy works, they would most likely state they have no idea.

What most people are unaware of is how long-term low interest rates have significantly reduced the values and performance of insurance policies. Policies where the client thought they had a “paid-up” policy found under audit their cash values were unable to support the policy. The options are, pay additional premiums, roll the contract to an annuity to salvage something, or rescue the contracts with guaranteed products.

Carriers are often earning less than their guaranteed rates therefore increase costs i.e. mortality to offset the low earnings. The results reduce the cash value. Variable products have seen huge downturns in the market. A 35% loss requires a 54% gain to recover. The lower cash value means more insurance risk which translates to more mortality expense and more gains necessary to recover. What looked good 5 or 6 years ago may now have only a few years left.

Read more......

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Do you remember how the old movies had the seasoned editor and cub reporter (kind of like Perry White and Jimmy Olsen in Superman)? Do you remember in those movies and shows how the cub reporters, learning the ropes, were taught to ask the questions "Who, What, Where, When, and How”?

Then along came "Law & Order". Insert sound effect here “Dun, Dun”. This program introduced a new facet to our tenacious desire to know more. Law & Order elevated which component of knowledge to the forefront? MOTIVE. No one can be convicted unless Jack McCoy can convince the jury there was motive for the crime. So now, we must know "Who, What, Where, When, How and...Why”

Read more......

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Bruce Steiner previously commented on the lessons planners can learn from James Gandolfini and Philip Seymour Hoffman’s Wills and Robin Williams’ insurance trusts. See Estate Planning Newsletters #2114, #2206, #2240. Now, Bruce returns to comment on the lessons estate planners can learn from Lauren Bacall’s Will. Read more......
The Central Arizona Estate Planning Council was established in the 1960s as a professional organization for diverse practitioners involved in the estate planning process.

With emphasis on the estate planning team, our focus is to gain a broader perspective of pertinent issues and ideas, in order to construct and protect our clients’ financial estates and to achieve a smooth transition of wealth from one generation to another.

Estate planning is one of today’s fastest-evolving professional disciplines, as ever-changing tax laws and volatile market values have created opportunities for practitioners and clients alike.

The Council regularly presents top national speakers at power-packed dinner meetings offering both continuing education and networking opportunities. Council members further benefit from an afternoon seminar with a national strategist, an ice cream social, a spouses’ night and a golf outing - all designed to promote professionalism and reciprocal associations among the Council professionals.

**2014/2015 CAEPC Committees**

**Membership:** Bill Purdue  
**Sponsorship:** Stephen Koons  
**Emerging Planners’ Group:** Remy Carpenter  
**Holiday Event:** Remy Carpenter  
*EPG Group*  
**AEP:** Harry Calivas  
**Newsletter:** Harry Calivas  
**Public Outreach:** David Walser  
*Chuck Whetstine*  
**Nominating:** Emily Burns  
**Meeting Ambassadors:** Kyle Decker

**Interested in getting involved?**  
Email info@caepc.org with your interest and a member of the board and/ or committee will contact you.

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- Vestpointe Wealth Management