ESTATE & WEALTH TRANSFER PLANNING

Hello, I'm Tom Seck, National Director, of Comerica's Business Owner Advisory Services, and welcome to another installment in our wealth Management Webcast series.

Today I am going to be discussing Estate and Wealth Transfer Planning, a topic of great concern for many business owners, and one that has drawn special attention since 2011.

Most business owners use estate planning to achieve the following goals: to reduce taxes, generate liquidity and to direct their assets to meet a specific goal.

The good news is, the exemption level -- that is, the level where the estate is taxed for estate, gift and generation-skipping transfers -- was increased to five point one-two million dollars in 2012. For a married couple, that amounts to well over ten million dollars. At the same time, taxable rates for these transfers was lowered to a flat 35%.

Furthermore, you are also entitled to a thirteen thousand dollar annual gift tax exclusion per donee, as well as an unlimited exclusion for tuition and certain unreimbursed medical expenses.

Combine all of these factors with our current low interest rate environment, and this becomes an exceptional time to think about estate and wealth transfer planning.

Unfortunately, this extremely tax friendly environment may not last.

The Federal legislation that established these more attractive terms for taxpayers is set to expire at the end of 2012. And with the current political uncertainty in Washington, we may very well see the tax exemption drop to just $1 million in 2013, while marginal tax rates for gift and estate transfers return to the higher 55% rate.

In this environment, there is an immediate need to address estate planning and take advantage of this potentially short window of opportunity.

As you consider estate, gift and generation-skipping transfers, here are a few key points to keep in mind.

Since the estate tax exemption levels include gifts made during your life, you can make changes today that take advantage of the higher 2012 tax exemption. These can include gifts to your children and grandchildren, which may very well save your family significantly on the eventual estate tax liability.

There are a few techniques using family LLCs and trusts that can help you maintain control of your assets and still take advantage of our current higher gift tax exemption levels, while ensuring the goals of your legacy are met.

As a member of Comerica's Wealth Management team, I would urge you to speak with one of our Business Owner Advisory Service professionals to discuss the advantages of estate and wealth transfer planning.

You can also find additional information related to Business Succession planning at Comerica.com/businessadvisory.

Thanks again for your interest, and on behalf of everyone here at Comerica, good luck with all of your future wealth planning needs.