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Smoke Signals

The Newspaper of Big Canoe.



After death, don't rush the net.

By George Fox, Attorney-at-Law

Memo to someone who has just lost a loved one: don't rush the net.

You're kidding, right? Not at all. There is no legal reason to do anything quickly. And there are lots of legal reasons not to. Go be with family. Talk to clergy and friends. And do as little as possible with tax-significant assets.

Won't assets disappear? Absolutely not. They can't. No mysterious state official will vacuum the dead person's assets out of reach. No financial institution has a magic wand which will make stocks, bonds, or money invisible and unreachable. Insurance companies will even pay interest on the death benefits they owe you through the date you get their check.

So why wait? State law gives you opportunities and breaks. Even the Internal Revenue Code gives you opportunities and breaks. You cut off all of them by acting before learning what you can do.

Do you get these breaks if someone dies elsewhere? my parents live out west (or

north, or south). You absolutely do. No state is looking to confiscate assets, or put heirs into court to fight for what's theirs. Judges have enough to do.

How about an example? IRS gives you a choice on its Estate Tax Return when you list the dead person's assets. The Service says you can use the lower of: the value the dead person's assets on the date of death, or the value of those assets on the 180th day after the date of death.

So you can use a higher number or lower number with IRS' blessing. But if you sell an asset during the six months, you can no longer value it at what it's worth at the end of six months; you're stuck with the value of that asset when you sold it.

Now this isn't a bad thing, unless you didn't have to sell it. Nobody wants you to starve. But taking assets and selling them wholesale in the first weeks after a death totally guts the opportunity to take advantage of what might happen during those six months.

And in these volatile times, assets can drop sufficiently in those six months to even eliminate the need for filing an Estate Tax Return. If the assets are worth \$2 million on the date of death, the 40-page return has to go in. If the six-month value is a dollar less, you don't have to bother.

What else is time-sensitive?

You have options on how to take IRAs and Retirement Plan benefits. Once you make decisions, though, you lose your choices.

I have months to deflect assets to others? But why would I?

Every state says you can say "skip me" and pass things you're set to inherit onto the next taker. (Think: a child will need money for something?) What you opt to pass does not count as a gift and there's zero tax effect to you and to the recipient.

And every state in the union says you can do this, and every state gives you months to decide; in Georgia, you have nine months.

But if you take possession of the assets, you lose the right to pass it on free. documents left by the dead person; it's not a free-for-all. A caution here: the pass receiver is dictated by the documents left by the dead person; it's not a free-for-all.

More on how to do this will be in a future column.

But can't I be sued while I'm waiting all this time? No way. Every state protects the executor for months; there's work to do pursuing claims, determining creditors, assembling assets, all that. In Georgia, the executor is protected for six months.

So why do people tell me to do things quickly? Either they mean well but they don't know what's at stake, or they're selling something. Be smarter and be cautious. Time (and the law) is on your side.

The Fox Law Firm, P.C.

www.GaLaw.com 404 256 0020

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