

MONEY MANAGEMENT

PROPER ESTATE PLANNING CAN PROTECT YOUR ASSETS AND YOUR FAMILY

Reluctant to think about dying, many people fail to develop a proper estate plan. As a result, their heirs can be embroiled in a time consuming and expensive legal process and the estate is often subject to unnecessary taxes. To avoid this situation and ensure that your estate is distributed according to your wishes, the Nevada Society of CPAs offers the following guidance.

MAKE A WILL

The basic element of any estate plan is a will. A will specifies how and when your assets should be distributed and names an executor who is responsible for managing your estate. Your will should also name a legal guardian for your minor children in the event that both you and your spouse die.

Without a will, the court names an executor to distribute your assets. In many cases, this is a court administrator who must be paid from your estate. The court also selects a guardian for your minor children and, if family members fight over custody, your estate pays for the legal battle—depriving your children of yet more of your hard-earned assets. Finally, the absence of a will allows state law to allocate your property among your heirs. But how your assets are split may not be in your family's best interest. For example, the state may split the money between your spouse and your children. However, even if your spouse needs the children's portion of the money to meet household expenses, he or she may not be able to obtain it.

TAKE ADVANTAGE OF ESTATE TAX EXEMPTIONS

Another important part of estate planning is ensuring that your estate is structured in a way that enables you to take advantage of available exemptions. For estates under \$10 million, the first \$600,000 of assets is exempt from federal estate and gift tax.

There is also an unlimited marital deduction, which enables a married spouse to transfer an unlimited amount of property free of tax to the surviving spouse. However, when the surviving spouse dies, only \$600,000 of assets in the estate will be shielded from estate taxes. Amounts over \$600,000 are taxed at rates ranging from 37 to 55 percent. Couples with modest estates could minimize estate taxes by dividing their assets so each spouse separately owns no more than \$600,000 in assets. If one spouse dies, these assets could bypass the other spouse and go directly to other heirs. In this way, the surviving spouse's estate would not exceed \$600,000 and heirs would benefit from the doubling of the exemption amounts.

USE TRUSTS AND GIFTS

TO REDUCE YOUR TAXABLE ESTATE

If you anticipate having more than \$600,000 in assets, there are other steps you can take to reduce your taxable estate and pass more of your wealth onto your heirs.

* Establish a by-pass trust— This type of trust provides a mechanism for you to pass assets directly to your heirs,

without the assets being included in the taxable estate of your spouse. A typical by-pass trust would enable the widow or widower to receive income from the trust. At his or her death, the principal would pass to the children.

* Make Gifts— You can give any number of people a gift of up to \$10,000 a year (up to \$20,000 a year if you make a joint gift with

your spouse) without paying tax on your gifts.

* Consider an Irrevocable Life Insurance Trust— You can give your life insurance policy, and all control over it, to a trust and pay the premiums with "gifts" to the trust. On your death, the proceeds of the policy are paid to the trust and are not included in your estate. Your family can draw on the trust's income for

life and your beneficiaries can eventually obtain the remainder.

KNOW THE VALUE OF YOUR ESTATE

Don't assume that your estate is too small for you to be concerned about taxes and estate planning. It may be larger than you realize. Your estate includes your home and other real estate; stocks, bonds and other investments; interest in a closely held business; as well as your car, jewelry, antiques, and other valuables. It also includes benefits from profit-sharing plans and the face value of your life insurance policies.

The Nevada Society of CPAs points out that even if your estate is currently worth under \$600,000, it may increase substantially simply because the value of your assets is rising. Developing an estate plan will enable your heirs to profit from your wise financial planning decisions.

Money Management is a public service announcement on personal finance prepared and distributed by certified public accountants. Nevada Society of Certified Public Accountants, 5250 Neil Road, Suite 205, Reno, Nevada 89502.

U.S. BANK OPENS NEW NORTH LAS VEGAS BRANCH

Celebrating the opening of its first new branch since it began operating in Nevada two years ago, U.S. Bank of Nevada opened the doors to its North Las Vegas branch office on Monday, August 15. The branch, which is located at 2200 East Lake Mead Boulevard, will be the 12th U.S. Bank branch located in the greater Las Vegas area.

"We are pleased to be opening our first new branch in North Las Vegas," said John Wilcox, senior vice president and southern Nevada retail bank manager. "We have been assessing community needs and listening to the concerns of business and household customers. That input was largely responsible for the selection of this site."

U.S. Bank, which focuses much of its efforts on serving small and medium-sized business, was also attracted to North Las Vegas by its large population of business customers. "We'll now be able to service this segment of North Las Vegas customers conveniently and thoroughly, with a branch in the heart of the business neighborhood," Wilcox said. The proactive redevelopment attitudes in North Las Vegas were also helpful in getting the branch opened, Wilcox said. North Las Vegas officials were supportive of U.S. Bank's entry into their community.

"We are pleased to see the interest shown in the City of North Las Vegas by the financial institutions," said James Seastrand, mayor of North Las Vegas. "U.S. Bank will be a fine addition in our city to assist our citizens with their banking needs."

The full-service North Las Vegas branch will accommodate the needs of area residents and businesses. "Our 9-member staff includes Spanish-speaking employees, and represents the many-faceted make-up of North Las Vegas," Wilcox

said. "In addition, we are proud to offer teller stations that are wheelchair accessible, in full ADA compliance."

The 3,900 square-foot branch will be open Monday-Thursday from 9 a.m. to 5 p.m., Friday from 9 a.m. to 6 p.m., and Saturday from 9 a.m. to 1 p.m. Two drive-up teller stations, drive-up and walk-up automated teller machines (ATMs) and a night depository will provide customers with 24-hour banking access. Safe deposit box services will also be available.

Wilcox added, "Many internal and external applicants were considered for the branch manager position. We are pleased to have Tammy Garcia as the North Las Vegas manager. Tammy's management training and experience in small business lending with U.S. Bank make her a great asset." Garcia was most recently the manager at U.S. Bank's Boulevard Center branch. Patty Trombetti will act as branch customer service manager.

Garcia, Trombetti and their entire staff invite everyone to come in, see the new facility and meet U.S. Bank's North Las Vegas team.

"In keeping with its commitment to provide new banking services and locations to better service customer needs in southern Nevada, U.S. Bank will continue to develop its presence in this area," Wilcox said.

U.S. Bank of Nevada is a subsidiary of U.S. Bancorp, the largest bank holding company headquartered in the Northwest and one of the nation's 35 largest, with assets of approximately \$21 billion. Other U.S. Bancorp bank subsidiaries include U.S. Bank of Oregon; U.S. Bank of Washington; U.S. Bank of California; U.S. Bank of Idaho and U.S. Bank (Canada).

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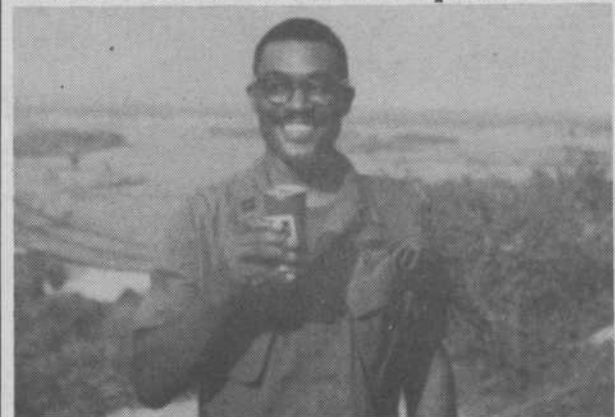
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