

Team Tisser Foundation



Team Tisser Foundation (TTF) is a non-profit corporation founded by Doron M. Tisser and his wife Laurie. TTF raises money for various charitable purposes and does not focus on any one charity or charitable purpose. The goal is to raise as much money as possible to "Help Make A Difference" by "Improving Life for Others." TTF has made donations to Memorial Sloan-Kettering Cancer Center, Leukemia & Lymphoma Society, Challenged Athletes Foundation, as well as charities helping people affected by natural disasters such as Hurricane Katrina and the Tsunamis. Since 2000, TTF has donated almost \$175,000 to over 25 different charities. Friends and clients generally donate money to TTF to support Doron's participation in triathlons and marathons. If you would like more information about TTF, please contact Doron at doron@tisserlaw.com, or visit www.teamtisser.org

Quick Links

www.tisserlaw.com
www.teamtisser.org

About

Doron M. Tisser

Doron M. Tisser has specialized in estate and gift planning, tax planning, trust and probate administration, charitable giving, buy-sell agreements and related areas for over 30 years. Mr. Tisser is one of less than 100 attorneys in California who has been designated as both a Certified Specialist in Probate, Estate Planning and Trust Law, and as a Certified Specialist in Taxation Law by the State Bar of California Board of Legal Specialization. He was chosen by his peers as a Super Lawyer for 2009, 2010, and 2011 for Southern California, and enjoys an "a.v." rating by Martindale-Hubbell Law Directory, which is the highest possible rating and is based on ethical considerations and legal skills. Mr. Tisser has published over 65 articles and chapters in books on various estate and tax planning subjects and is a frequent speaker and lecturer at estate and tax planning seminars. Mr. Tisser competes in triathlons, including Ironman races, and raises money for charities through Team Tisser Foundation, a non-profit corporation he co-founded with his wife Laurie.



What's Happening

The Internal Revenue Service has just announced that the estate tax exemption amount for 2012 will be increased from \$5 Million to \$5,120,000, based on the increase provisions contained in the Internal Revenue Code. The \$13,000 per year gift exclusion amount will not change.

If a person dies in either 2011 or 2012 and was married, the person's estate should consider filing an estate tax return (Form 706) even if the return would otherwise not be required. See the article below for more information.

Doron M. Tisser was honored by receiving the prestigious Trusted Advisor Award, presented by the San Fernando Valley Business Journal. This award is given to a select few professionals each year and represents the highest level of achievement and service to clients.

Please help Team Tisser Foundation and the Leukemia & Lymphoma Society (LLS). Doron M. Tisser will be competing in the Malibu Half Marathon on November 13, 2011 to raise money for LLS in memory of his close friend Steve Craig, who recently passed away. If you would like to donate money, please do so by sending your check to Team Tisser Foundation, a non-profit corporation founded by Doron and his wife Laurie, at Doron's office address. Acknowledgement of your donation will be sent to Susan Laine, Steve's wife.

If you would like Doron M. Tisser to speak to your group or organization about the new estate tax laws, trust administration or other estate planning subjects, please contact Laura Stein at laura@tisserlaw.com or call Laura at (818)226-9125.

PORTABILITY AND YOUR ESTATE TAX PLANNING

If a married couple has a net worth in excess of the amount they can leave estate tax free at the death of the second of them, we have generally recommended that the clients create a Decedent's Trust. This trust will come into existence when the first spouse (decedent) dies and will hold the decedent's share of the assets. The surviving spouse is the beneficiary of the Decedent's Trust and can be the trustee, using the assets for his or her support during his or her lifetime.

The advantage of the Decedent's Trust is that the assets in that trust, while being used for the surviving spouse during life and will be able to pass estate tax free to the children. Even the appreciation in the value of the assets in the Decedent's Trust since the decedent's death will pass estate tax free.

For example, if a married couple is worth \$4 Million at the first death, the Decedent's Trust will have \$2 Million in assets in it (the decedent's half of the \$4 Million). The surviving spouse will have the use of those assets. If the assets in the Decedent's Trust are worth \$3.5 Million when the surviving spouse dies, the entire \$3.5 Million will pass estate tax free to the children.

Historically, if the amount the decedent can leave estate tax free at death (the exemption amount) is greater than the value of the decedent's half of the assets, the excess exemption amount will go unused.

For 2011 and 2012, if a married person dies and his or her share of the assets is less than the exemption amount, the unused exemption amount can be preserved and added to the surviving spouse's exemption amount.

For example, if the husband in the example above has a \$5 Million exemption amount and dies in 2011, but only has \$2 Million worth of assets, the wife can elect to preserve the unused \$3 Million exemption amount (\$5 Million less the used \$2 Million). In this way, the wife can leave the children her own \$5 Million exemption amount together with the \$3 Million unused exemption amount from the husband, thereby leaving the children \$8 Million estate tax free.

To elect the ability to use a deceased spouse's unused exemption amount (known as portability), the surviving spouse must file an estate tax return on behalf of the deceased spouse (even if no estate tax is due and no such return would otherwise be required).

Under current law, portability is only available if both spouses die before January 1, 2013.

Why would a surviving spouse elect portability and pay for an estate tax return to be filed if he or she is not expected to die in 2012?

First, there is the possibility that the surviving spouse may die in 2013. But even if this chance is remote, if Congress extends portability in new estate tax legislation that we expect in 2013, the surviving spouse may be able to carry over the unused exemption to future years. We won't know this until later, but in the meantime it makes sense to elect portability at the death of the first spouse in 2011 or 2012.

If a surviving spouse can elect portability, does the married couple still need to have a Decedent's Trust as part of their estate plan? The answer is yes if

- The spouses want to earmark certain assets for **children** instead of the **surviving spouse**,
- The length of time between spouses' deaths is likely to be substantial,
- The couple is worried about what changes might occur in 2013, or
- The spouse or children need **protection against creditors**.

In light of these new laws, you should consider reviewing your estate plan.

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