Molewski Financial Partners

Zero Estate Tax Planning—Case Study

Client Situation

A senior client with a long held, successful timber business desired to pay no estate taxes. The business was valued in excess of $30 million and significant planning had already been implemented to benefit his descendants. In addition to this planning, taxes still totaled approximately $13 million.

The client contacted our firm to evaluate his situation and design new planning solutions. During the consultation, our team determined that the client had significant charitable intent, but also wanted to maintain an ample legacy to his children and grandchildren that would reflect his lifetime success.

Molewski Financial Partners Approach

Upon engagement, we extensively reviewed the client's existing planning, family dynamics, financial statements and life insurance structures. Our specialized team determined that with the client's charitable inclination and existing insurance funding, plan changes could result in the complete elimination of estate taxes while increasing the net assets left to the client's beneficiaries. The client requested that our firm progress from the initial evaluation and provide a detailed plan of action.

Results

Through our unique expertise, we were able to re-design the client's insurance portfolio, increasing the amount of death benefits and removing the policies from client's taxable estate. We also were able to recommend and help implement significant transfer tax discounting techniques to shift wealth to the next generation. These changes, along with significant charitable gifts at death, actually eliminated the $13 million in estate taxes. This resulted in an increase in the assets left to the client's beneficiaries and allowed the family business to pass to his son. The client was able to substantially provide both charitable and family legacies.

Client Profile

- Industry: *Timber*
- Revenue: *$15 million*
- Employees: *40–50*

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Molewski Financial Partners is a financial consulting and advisory firm that provides services to over 100 families and whose cumulative estates are in excess of $3 billion.

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