Wealth Transfer Planning:
Eliminate "The Someday Gap."

Ross F. Hoffman, President
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"Two weeks of solid financial planning
may be worth more…than the financial gains of the last 10 or 15 years."
Price Waterhouse

Think about this: What would it be like to have complete peace of mind that you have done everything you wanted to do for your family, friends, clients, community, and yourself? In short, to have a life of no regrets.

Yes, it's possible to consider living and leaving a legacy by understanding and then eliminating the "Someday Gap." You know what I mean. Just ask yourself. What are my "Someday I'll get around to...doing issues?"

When you agree to work together, I know I will more than pay my own way. I will see things you don't see and then help you in areas of your life you haven't even considered. I will assist you in taking your life from financial success to personal significance.

Maximizing the transfer of wealth while minimizing taxation from one generation to the next are two of the most important objectives for many of my clients. This is a unique window in time for planning which will be short in duration and probably won't last.

The current estate and gift tax rules will be repealed on January 1, 2026 and will revert back to the prior rules, which have lower exemptions and higher taxes.

Remember the gift and estate tax imposed on transfers of wealth during life or at death can quickly reduce the value of an individual's estate passed to heirs.

First, understanding the rules of the game is critical. If you don't know them, you can't make the most informed decisions as to what is best for you and your family.

Enclosed is a chart of the history of estate taxation, which doesn't appear to be going away anytime soon along with a self-administered form to calculate your own estate taxes.

Second, the goal of any wealth transfer plan is to structure the ownership of property so wealth accumulates outside of an individual's estate. There are techniques to freeze the value of property at its current fair market value so that appreciation occurs outside of the estate. An individual can structure a freeze as an intra-family gift or an intra-family sale.

The more common advanced planning techniques are:

Dynasty trusts

Qualified personal residence trusts

Grantor retained annuity trusts

Family limited partnerships

Installment sales to intentionally defective irrevocable trusts

Private annuities

Self-canceling installment notes

Combination techniques

Given that most individuals are unwilling to give away everything they own during their lifetime, even the best planned estates may owe estate or generation skipping transfer tax (GST).

Although the primary purpose of life insurance is death benefit protection, the innovative use of life insurance may provide the estate with the liquidity it needs to pay the transfer tax liability. The life insurance may also provide funds to equalize the inheritance among family members that are not parties to a particular wealth transfer technique.

Keep in mind, the sooner you take action the better for you and your family. Planning now could save your family millions in unnecessary estate taxes.

Concluding Thought on Taxes

"Anyone may so arrange his affairs that his taxes shall be as low as possible;
he is not bound to choose that pattern which will best pay the Treasury;
there is not even a patriotic duty to increase one's taxes."

Justice Learned Hand

If you want to learn more about how wealth transfer strategies can help protect your assets, just email me at rfh@hoffmanwm.com or call me on my direct line; (805) 648-5306.

I will also email you my article entitled, "Put Your Own Mask on First—Why Taking Care of Yourself First is Like Estate Planning."

In the meantime, be well and stay well.

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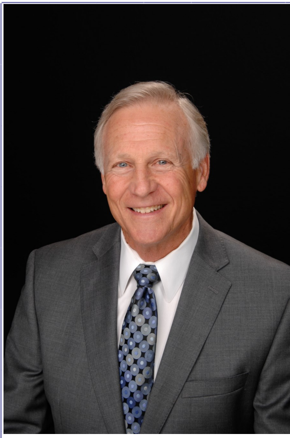

Ross F. Hoffman, President/CEO

Hoffman & Associates, Financial & Estate Advisors, Inc.

Ross F. Hoffman is President and Chief Executive Officer of Hoffman & Associates, Estate & Financial Advisors, Inc. He has over 40 years of professional experience in financial, estate, and investment advising. Ross believes everyone should have the opportunity, the freedom and the best information to decide what estate, retirement, and business transition plans work best for them. He has also written articles on these topics.

Ross has earned the most respected professional designations, including Accredited Wealth Management Advisor (AWMA), Accredited Investment Fiduciary (AIF®), Certified Financial Planner (CFP), Chartered Financial Consultant (ChFC), and Chartered Life Under-writer (CLU). He earned his undergraduate degree from UCLA, attended the U.S. Army School of Finance, and the Center of Fiduciary Studies at the University of Pittsburgh.

Ross is an accomplished speaker. He has lectured on Family Wealth Counseling, Evidence Based Investing, Exit Planning, creative uses of life insurance, charitable estate planning to professional groups including the Ventura County Bar Association and the Santa Barbara CPA/Law Society; and has taught estate and gift tax planning.

He is a former co-host of the weekly internet radio show "Conscious Investing," and was in "Navigating the Fog of Investing," a documentary film on the investment industry.

Ross is a prior member of Vistage (formerly TEC), an organization for CEOs, for over 25 years. They presented him the "Widest Range of Knowledge Award" as a Vistage member.

His community involvement has included Vice Chairman and Cabinet member of the Ventura County United Way, Technical Advisory Committee member for the Ventura County Community Foundation, Deferred Giving Board member for the Ventura County Medical Center, Board member of the American Lung Association, Board member of the Ventura County Planned Giving Council, Deferred Giving Committee member for the Boy Scouts of America and a past member of the Estate Planning Council. Ross was on the Board of Segue, a nonprofit, dedicated to keeping kids in school and helping them develop career paths.

Ross's outside interests include golf, daily workouts and time with his family. He also wrote **Back And Better, 37 Rapid Recovery Exercises I Use When Injured or Bedridden**.

Estate, Gift and GST Tax Rates and Exemptions

PER INDIVIDUAL

Calendar Year		Estate Tax Exemption	Estate Tax Rate	Gift Tax Exemption	Gift Tax Rate	GST Exemption	GST Tax Rate
2000		$675,000	37%	$675,000	37%	$1,030,000	55%
2002		$1,000,000	41%	$1,000,000	41%	$1,100,000	50%
2009		$3,500,000	45%	$3,500,000	45%	$3,500,000	45%
2017		$5,490,000	40%	$5,490,000	40%	$5,490,000	40%
2018		$11,180,000	40%	$11,180,000	40%	$11,180,000	40%
2019	2	$11,400,000	40%	$11,400,000	40%	$11,400,000	40%
2020	2	$11,580,000	40%	$11,580,000	40%	$11,580,000	40%
2021	2	$11,860,000	40%	$11,860,000	40%	$11,860,000	40%
2022	2	$12,100,000	40%	$12,100,000	40%	$12,100,000	40%
2023	2	$12,340,000	40%	$12,340,000	40%	$12,340,000	40%
2024	2	$12,590,000	40%	$12,590,000	40%	$12,590,000	40%
2025	2	$12,840,000	40%	$12,840,000	40%	$12,840,000	40%
2026	3	$6,560,000	40%	$6,560,000	40%	$6,560,000	40%

1. There is no California estate tax.
2. The exemptions for 2021-2025 are estimated based on a 2%/year chained CPI.
3. The exemption for 2026 is estimated based on a 2%/year chained CPI and the sunset provisions after 2025.

Annual Exclusion Amounts

PER INDIVIDUAL, PER DONEE

Calendar Year	Gift Tax Annual Exclusion	Gift Tax Rate	GST Annual Exclusion	GST Tax Rate
2022	$16,000	40%	$16,000	40%

Estate Tax Calculation

Assets		
1	**Residence**	
	Full approximate fair market value of residence	$
2	**Other Real Estate**	
	Investment property, vacation homes, etc. (For jointly owned property with non-spouse, list your portion only)	$
3	**Value of all Motor Vehicles**	
	Includes automobiles, motor homes, motorcycles, trailers, boats, etc.	$
4	**Tangible Personal Property**	
	Fair market value of all furnture, jewelry, art, collections, etc.	$
5	**Non-Qualified Investments**	
	Includes all stocks, bonds, mutual funds, etc. (Do not include 401ks and IRAs)	$
6	**Qualified Investments**	
	Includes all 401ks, IRAs, Roth IRAs, etc.	$
7	**Cash**	
	Checking accounts, savings accounts, money market accounts, etc.	$
8	**Life Insurance Policies**	
	List total life insurance policy death benefit	$
9	**Business Interests**	
	Includes stock in S corporations, C corporations, partnership interests, limited liability membership interests and sole propietierships	$
10	**Other Assets**	
	Any other assets not included in previous 9 lines	$
11	**Total Gross Value - Add value in lines 1 through 10**	$

Liabilities		
12	**Home Mortgage**	
	Includes primary mortgate plus line(s) of credit	$
13	**Other Mortgages**	
	Includes primary mortgate plus line(s) of credit	$
14	**Auto Loans**	$
15	**Student Loans**	$
16	**Credit Card Debt**	$
17	**Other Debt**	$
18	**Total Debt - Add values in lines 12 through 17**	$

	Estate Tax Analysis	Before Jan. 1, 2026	After Jan. 1, 2026
19	**Net Estate Value - Subtract line 18 from Line 11**	$	
20	**Net Tax Exemption(s) *Doubles for married persons**	**$12,060,000.00**	$6,560,000.00
21	**Taxable Estate - Subtract line 20 from line 19 (if less than zero, enter "0"**	$	$
22	**Estimated Estate Tax Liability - Multiply line 21 by 40%**	$	$