

ESTATE PLANNING



Hynds, Yohnka, Bzdill & McInerney, LLC, 105 W. Main St., Morris, Illinois 60450

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Hynds, Yohnka, Bzdill & McInerney, LLC

The core practice of Hynds, Yohnka, Bzdill & McInerney, LLC is estate and financial planning. This includes wills, trusts and powers of attorney. It also includes planning to avoid probate, estate taxes and family disputes. The selection of an appropriate entity to hold title to assets, steps to shelter assets from creditors, adding value to assets by creative planning or avoiding income taxes are also aspects of our practice.

Hynds, Yohnka, Bzdill & McInerney, LLC counsels and negotiates on behalf of its clients in many different types of relationships: buy and sell agreements, business operating agreements, purchase, sale, lease, option of real estate, pre-nuptial

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agreements, succession plan for business and inheritance, annexation agreements, zoning issues, condominiums, shareholder and partnership agreements and formation of LLCs, LPs, and Subchapter S and C corporations. ■

"Do you have a financial plan if you or your spouse requires long term nursing care?"

-See Client Checklist, Page 3

Estate Planning in Today's Climate

It is Hynds, Yohnka, Bzdill & McInerney, LLC's policy not to solicit legal business. Our engagement is to meet with clients and offer consultation and prepare an appropriate estate plan. If the client wants to follow up at a later date, it is a separate engagement triggered by the client.

Notwithstanding our policy, Hynds, Yohnka, Bzdill & McInerney, LLC is concerned that clients for various reasons (cost, lack of

knowledge, lack of time) need additional information and perhaps education regarding the estate planning and financial issues of the 21st century and perhaps some nudging. The newsletter is our attempt to provide this information and education. This newsletter should address both the basics and also cover recent issues and developments.

Hynds, Yohnka, Bzdill & McInerney, LLC believes many of its clients need to review and Please see *Estate Planning* on page 3

MEET THE ATTORNEYS

John W. Hynds

Jack is in his 53rd year practicing as an attorney. Jack's law practice involves multiple day-to-day interactions with clients addressing immediate issues, estate and financial planning and estate administration. Jack is typically involved in the firm's more complex estate tax issues and property valuations.

Diane Yohnka Jorstad

Diane has practiced law since 1981, concentrating her practice in the areas of wills, trusts, estate planning, probate, real estate law, and elder law. Since 1985, Diane has been appointed by successive Governors of Illinois to the office of Grundy County Public Guardian and Administrator. She has served as a member of the Grundy County Elder Abuse-Multi-Disciplinary Committee. Diane is also a member of the National Academy and Illinois Academy of Elder Law Attorneys.

David J. Bzdill

Dave joined the firm in 1995 and is admitted to practice in both Iowa and Illinois. Dave's practice includes probate and trust administration; business law; estate planning; commercial and residential real estate law and zoning.

Dave has an ongoing commitment to

the community and currently serves on the Morris Hospital Board.

M. Katie McInerney

Katie joined the firm as an associate in July 2013 and was made a partner in April 2016. Her practice focuses on estate planning, probate, guardianship, real estate, and trust administration. Prior to moving to Morris, she practiced law in Lincoln, Illinois. She currently serves on the board of We Care and heads up their financial committee.

Amanda N. King

Amanda joined the firm in 2015 as an associate after working as in-house counsel at Liberty Mutual where she practiced insurance defense. She received her J.D. from the University of Illinois in Urbana-Champaign. Amanda currently practices in the areas of real estate, zoning, business, and estate planning and is on the fundraising committee for Habitat for Humanity. ■

John N. Rooks

After 40 years with the firm, John retired from the practice of law at the end of 2016. He is living in Geneva, Illinois.

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update their estate and financial plans. There has been a dramatic shift in the focus of estate planning. The following chart lists the per person exemption for federal and Illinois estate tax purposes. These can be doubled for a married couple:

	<u>Federal Exemption</u>	<u>Illinois Exemption</u>
2002	\$1,000,000.00	\$1,000,000.00
2004	\$1,500,000.00	\$1,500,000.00
2006	\$2,000,000.00	\$2,000,000.00
2009	\$3,500,000.00	\$2,000,000.00
2010	no estate tax	no estate tax
2011	\$5,000,000.00	\$2,000,000.00
2012	\$5,120,000.00	\$3,500,000.00
2013	\$5,250,000.00	\$4,000,000.00
2014	\$5,340,000.00	\$4,000,000.00
2015	\$5,430,000.00	\$4,000,000.00
2016	\$5,450,000.00	\$4,000,000.00
2017	\$5,490,000.00	\$4,000,000.00

With the current exemptions, the avoidance of estate taxes is no longer an issue for most Illinois residents.

Historically, the ideal estate tax plan for a married couple with a potential estate tax issue involved splitting asset ownership, and utilizing a formula that at the death of the first spouse to die, sheltered the maximum tax-free amount in a trust that was not includable in the estate of the surviving spouse.

Today, that plan is no longer needed by the majority of couples and, in fact, creates unnecessary expenses and inconvenience at the death of the first spouse to die and frequently also an unnecessary trust. In addition, it does not produce the ideal income tax step-up in basis at the death of the surviving spouse.

In 2017, the plan for most couples is simpler and less expensive to administer. There is a greater need to focus on issues arising from increased longevity: financial planning for extended retirement years, long-term care at home or elsewhere, second marriage, medical care for the terminally ill, and protection against dementia and potential undue influence, all of which require serious consideration. ■

Client Checklist

1. Is your taxable estate under \$4,000,000, but you and your spouse own assets individually rather than jointly? Do your wills create a trust for your individual shares?
2. Will it be necessary to probate your estate and are there cost effective alternatives?
3. Do you have a financial plan if you or your spouse requires long term nursing care?
4. Do you have a plan that provides protection between ages 65 and 95 from financial shortages, dementia or terminal illness?

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**Note Our New Firm Name
And Website!**

We're on the Web!

Visit us at:
www.hyndslawyers.com

Further Planning:

1. Estate planning for couples with net worth less than \$4,000,000
2. Techniques to avoid or minimize estate taxes on estates in excess of \$4,000,000
3. Asset Protection: creditors, long-term care, succession planning
4. Planning to protect family businesses, farming operations, second residences
5. Elder Law Issues: Planning for Medicaid, terminal illness, or dementia

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