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Michael Bass: Good morning, and welcome to *Financial Edge with Silver Edge Financial Group*, bringing clarity and expertise to financial planning, every Sunday morning. I'm Michael Bass, and as always, I'm here with my partner, Howard Silver.

Howard Silver: Good morning, everyone! Welcome to the newcomers, welcome back to our previous listeners, and thank you to everyone who reached out to learn more or share their feedback. Reminder, you can contact us directly by calling 561-300-0090 to schedule a no-obligation in-person or virtual consultation or visit [www.silveredgefg.com](http://www.silveredgefg.com). You can also send me an email at [howard@silveredgefg.com](mailto:howard@silveredgefg.com).

Michael: Today, we're discussing an important and often overlooked aspect of financial planning—estate planning—and introduce an exciting new partnership between Silver Edge Financial Group and Wealth.com. Howard, estate planning is so much more than just drafting a will, right?

Howard: Absolutely, Michael. It's about creating a comprehensive plan to protect your legacy, ensure your loved ones are provided for, and make your wishes clear. Something we're excited to announce is that at Silver Edge Financial Group— we've recently partnered with Wealth.com. This platform takes legacy planning to the next level by integrating financial products like life insurance and annuities into a comprehensive estate planning solution. Through our partnership with Wealth.com, we're offering our clients streamlined tools to simplify what can seem like a daunting process.

Michael: Right, because when most people hear "estate planning," their minds jump to complexity— trusts, probate, tax implications. COMPLIANCE NOTE: LPL Financial representatives offer access to Trust Services through The Private Trust Company N.A. an affiliate of LPL Financial. But Wealth.com's platform takes that complexity and makes it manageable, offering step-by-step guidance to help clients customize their estate plans. Howard, can you break down some of the services offered through this partnership?

Howard: Certainly. Legacy planning isn't just about choosing the right financial products—it's about ensuring your wishes are honored and your assets are transferred smoothly. Wealth.com has revolutionized estate planning. Wealth.com makes it easy for clients to create a customized estate plan, whether they're starting from scratch or refining an existing one. It offers a user-friendly platform that guides clients through the process step by step. It's a seamless way to set up customized estate plans that include trusts, wills, healthcare directives, powers of attorney, and make informed decisions about your legacy. For example, if you've recently purchased a home, gotten married, or had children, you'll want to revisit your plan to ensure it reflects these life changes. Wealth.com helps you do that seamlessly. It's a seamless way to set up and make informed decisions about your legacy. These are essential components of any well-thought-out plan. Beyond that, it simplifies the decision-making process with intuitive tools that guide clients through each step. It's designed for people at any stage of life—whether they're just starting their journey or refining an existing plan.

Michael: Education and accessibility are key, and the beauty of this platform is that it's designed for everyone. Whether you're managing a high-net-worth estate or ensuring your family's basic financial security, Wealth.com provides clarity and confidence. It empowers clients to see how everything fits together—the financial products, the legal structures, and their personal goals. So, if you've been putting off estate planning because it feels overwhelming, this partnership with Wealth.com might be just what you need. It brings the expertise of Silver Edge Financial Group together with cutting-edge estate planning technology to make the process straightforward and accessible.

Howard: Exactly, Michael. This partnership truly adds value to what Silver Edge offers. If our listeners are ready to take the next step, give us a call at 561-300-0090 or visit [www.silveredgefg.com](http://www.silveredgefg.com) to learn more about how Wealth.com can enhance your legacy plan. The best part is that it's not just about what happens after you're gone—it's about creating a roadmap for your financial security today while protecting your family's future. Combining tools like life insurance, annuities, and long-term care riders with a platform like Wealth.com is the ultimate legacy planning strategy. COMPLIANCE NOTE: Riders are additional guarantee options that are available to an annuity or life insurance contract holder. While some riders are part of an existing contract, many others may carry additional fees, charges and restrictions, and the policy holder should review their contract carefully before purchasing. Guarantees are based on the claims paying ability of the issuing insurance company.

Michael: Howard, let's start with the basics and one of the most common questions we get. "What's the difference between a will and a trust?"

Howard Silver: It's a fundamental question that often confuses people, but it doesn't have to. Both wills and trusts are tools for managing and distributing your assets after you pass, but they operate very differently. Let me break it down as simply as possible. Let's start with control and activation—in other words, when each of these documents actually goes into effect. A will only takes effect after you die. Until then, it's just a set of instructions that sits in a file. You can change, update, or even revoke it whenever you want during your lifetime. But nothing happens with a will until you pass away. On the other hand, a trust—specifically a revocable living trust—is active while you're alive and continues to be active after you pass. When you set up a trust, you typically name yourself as the trustee, which means you have full control of the assets while you're alive. You can move assets in and out, change beneficiaries, and even dissolve the trust if you want to.

Michael: So, to put it simply, a will is like a post-death set of instructions, while a trust is a living, breathing entity that you control while you're alive.

Howard: Exactly. But there's one more nuance to understand. Once you pass away, a will is handed over to the court system through probate, whereas a trust skips that step entirely.

Michael: Ah, the "P" word—probate. It's a common challenge people have but can avoid with proper planning. How often do we see people stumble over the concept of probate? It's almost a dirty word in estate planning.

Howard: It really is. Probate has a reputation for being costly, time-consuming, and public. It's the legal process of administering and distributing someone's estate after they pass. Even with a will in place, the estate often goes through probate to validate the document and oversee the process. And if there's no will, it's even more complex. Dying intestate—without a will—means the state determines how assets

are distributed, which can lead to prolonged delays and disputes. That's where having a well-thought-out estate plan makes a difference. A revocable trust, for example, can bypass probate altogether. By transferring assets into a trust, you create a legal entity that dictates how those assets are handled after your death, without the need for court involvement. Plus, it keeps everything private. Unlike probate, which becomes part of the public record, trusts keep sensitive details confidential. That's a huge benefit for many families. But Michael, even with a trust, there are pitfalls to watch out for. One common issue is not properly funding the trust—forgetting to transfer assets like out-of-state properties. Those assets can end up in probate despite having a trust in place.

Michael: Yes, it's worth repeating that we've seen cases where people create a trust but don't properly fund it—meaning they don't transfer assets like real estate or investments into the trust. This can result in those assets still going through probate, defeating the purpose of creating the trust in the first place. Privacy is also a huge benefit. One of the biggest drawbacks of probate is that it becomes a matter of public record. This means anyone can see what assets you owned and how they were distributed. A trust keeps these details confidential, protecting your family's privacy. How often do we hear from clients who want to avoid probate entirely? Which is why we stress regular updates to estate plans. Life is dynamic—marriages, divorces, the birth of a child, even moving to a new state—all of these can impact an estate plan. Howard, how often should someone revisit their plan?

Howard: Generally, we recommend reviewing your estate plan every two years and making comprehensive updates every five years, or whenever a major life event occurs. The beauty of Wealth.com's digital platform is that clients can make updates as often as needed. For example, if you move, their Zillow integration alerts you to update your real estate information. It's a game-changer in staying proactive. It is essential for ensuring that your financial legacy is protected, your wishes are carried out, and your loved ones are provided for. Estate planning is not just for the ultra-wealthy—it's for anyone who wants to ensure their hard-earned assets are distributed according to their wishes. To our listeners, if you're ready to start planning your legacy, reach out to us at Silver Edge Financial Group. Call us at 561-300-0090 or visit [www.silveredgefg.com](http://www.silveredgefg.com).

Michael: Let's talk about the costs associated with probate. Probate isn't just emotionally taxing for your loved ones; it can be financially draining, too. Legal fees, court costs, and appraisal fees can significantly reduce the value of an estate.

Howard: And for smaller estates, those costs can be devastating, leaving little for the beneficiaries. That's another reason to consider strategies like trusts or ensuring that assets are transferred via beneficiary designations, which bypass probate entirely. People are often surprised by how complex and invasive probate can be. Even with a will, assets still have to go through the probate process, which can take months or even years, depending on the estate's size and complexity. And without a will, the situation is even worse, as the state determines how your assets are distributed. This is called dying intestate, and it can create unnecessary delays, costs, and conflicts among family members. Court fees, attorney fees, and administrative fees can add up to 3-7% of your total estate. On a \$500,000 estate, that's up to \$35,000 in probate costs. Yes, wills are cheaper upfront. Creating a basic will is a straightforward process and less expensive than creating a trust. But here's the twist—the cost you save upfront may end up costing your family more in the end. With a trust, you'll pay more upfront to have it created—legal fees, document preparation, and potentially funding fees—but there are typically no probate costs down the line. The money you spend up front on a trust is often less than the total probate fees you'd pay later

with a will. That's why we always emphasize the importance of planning ahead.

Michael: Howard, what are some of the strategies clients can use to minimize these costs and streamline the process for their families?

Howard: There are several strategies, and it all starts with having a comprehensive plan in place. Creating a revocable trust is one of the most effective ways to avoid probate and reduce costs. Another strategy is ensuring that assets like retirement accounts, life insurance policies, and bank accounts have designated beneficiaries. This allows those assets to pass directly to the beneficiaries without going through probate. Additionally, keeping your estate plan up to date is critical. Life events such as getting married, having children, or acquiring new assets should trigger a review of your plan to ensure everything is accounted for and properly titled.

Michael: Let's dive deeper into a critical topic within estate planning—the difference between revocable and irrevocable trusts. These two trust types play very different roles, and understanding them can be the key to creating a successful estate plan. Howard, I know this is an area where people often have confusion. Can you give us a simple breakdown of a revocable trust versus an irrevocable trust?

Howard: Absolutely, Michael. It's one of the most common questions we get. Let's start with revocable trusts. A revocable trust, as the name implies, can be altered, amended, or revoked entirely at any time during your lifetime, as long as you have the mental capacity to do so. It's a living document that allows you to remain in control of your assets. With a revocable trust, you can move assets in and out of the trust, change beneficiaries, and even dissolve the trust entirely if your circumstances change. This flexibility is a major reason why so many people choose revocable trusts as part of their estate planning strategy.

Michael: So with a revocable trust, I still have control over my assets while I'm alive?

Howard: Exactly. You remain in control. In fact, most people name themselves as the trustee of their own revocable trust while they're alive. This means you manage your own assets as you always have, but if you become incapacitated or pass away, a successor trustee you've named will step in to manage or distribute those assets according to your wishes.

Michael: That sounds incredibly useful, but what's the main purpose of having a revocable trust?

Howard: The primary reason people create revocable trusts is to avoid probate. When you die, the assets in a revocable trust bypass probate, which saves time, reduces costs, and maintains privacy. Unlike a will, which becomes part of the public record, a revocable trust keeps your financial matters private. Another reason is incapacity planning. If you're unable to manage your financial affairs due to illness or injury, your successor trustee takes over seamlessly. This avoids the need for a court-appointed guardian or conservator, which can be a long, expensive, and emotionally difficult process for families.

Michael: That makes sense. So, it sounds like control, privacy, and efficiency are the key benefits of a revocable trust. But I'm sure there are some downsides, too, right?

Howard: Yes, that's true. While a revocable trust provides flexibility, it doesn't offer protection from creditors or lawsuits. Since you still have control over the assets, they're considered part of your estate for creditor claims and potential lawsuits. They're also subject to estate taxes when you pass away. This is a good transition to irrevocable trusts, which are an entirely different type of trust with different

benefits and drawbacks.

Michael: Okay, so tell me more about irrevocable trusts. How are they different from revocable trusts?

Howard: The key difference is control and permanence. Once you create an irrevocable trust and transfer assets into it, you give up control of those assets. You cannot modify, revoke, or take back the assets unless the terms of the trust explicitly allow it. With an irrevocable trust, you're essentially giving up ownership of the assets to the trust itself, which is managed by a trustee. This might sound like a disadvantage, but here's the key benefit: creditor protection and tax benefits. Since you no longer own the assets, they are not part of your taxable estate and are often out of reach of creditors and lawsuits. This makes irrevocable trusts an essential tool for asset protection, Medicaid planning, and wealth preservation.

Michael: Ah, so unlike a revocable trust, assets in an irrevocable trust are no longer counted as part of your personal estate. That's a big difference.

Howard: Exactly. This distinction is crucial for high-net-worth individuals looking to reduce their estate tax liability. When you put assets into an irrevocable trust, they're no longer counted as part of your estate, which can significantly reduce estate taxes. For example, if you transfer \$5 million in assets into an irrevocable trust, you've effectively removed that \$5 million from your estate. This strategy is especially useful right now, given that the federal estate tax exemption is scheduled to drop in 2026 from \$13.99 million back to around \$7 million. Many wealthy individuals are taking advantage of the current high exemption to fund irrevocable trusts while the rules are favorable.

Michael: That makes a lot of sense. But, Howard, losing control of assets sounds a bit scary to most people. I imagine that's one reason people are hesitant to use irrevocable trusts.

Howard: Yes, you're right. For some people, giving up control is a big psychological hurdle. But that's where trust design comes in. There are ways to maintain some access or influence over an irrevocable trust. For example, with a Spousal Lifetime Access Trust (SLAT), one spouse creates the trust and names the other spouse as a beneficiary. This way, while you technically give up control, your spouse still has access to the trust's resources. Another option is using a charitable remainder trust (CRT), where you can donate assets to charity, receive an income stream for life, and get a charitable tax deduction. While you lose control of the principal, you gain financial benefits that can last your entire lifetime.

Michael: Those are some creative strategies. It sounds like with the right planning, you can still benefit from assets even if you don't have direct control.

Howard: Exactly, and that's why it's so important to work with experienced advisors who can design trusts that suit your specific goals. Irrevocable trusts are highly customizable. You can create them to provide for children, grandchildren, or even future generations using a generation-skipping trust (GST). This strategy allows you to "skip" your children's generation, allowing the assets to grow tax-free for your grandchildren or other future heirs. It's a powerful wealth preservation tool that can create intergenerational wealth.

Michael: So let's do a quick recap. We've covered revocable vs. irrevocable trusts, but can you break it down simply for our listeners? What are the main differences?

Howard: Of course, here's a simple breakdown:

| Feature             | Revocable Trust                    | Irrevocable Trust              |
|---------------------|------------------------------------|--------------------------------|
| Control             | Full control during your lifetime  | No control once established    |
| Modification        | Can be changed or revoked          | Cannot be changed or revoked   |
| Creditor Protection | No creditor protection             | Full creditor protection       |
| Estate Taxes        | Included in taxable estate         | Excluded from taxable estate   |
| Privacy             | Avoids probate, stays private      | Avoids probate, stays private  |
| Use Case            | Avoid probate, control during life | Asset protection, tax planning |

Michael: That’s a helpful comparison. So, Howard, how does someone decide which trust is right for them?

Howard: It depends on your financial goals and life situation. Here are a few examples:

- If you want control and flexibility, a revocable trust is the better option. It’s perfect for people who want to avoid probate but still have access to their assets.
- If you want to protect assets from lawsuits or creditors or you’re planning for Medicaid eligibility, an irrevocable trust is ideal. It’s also useful for high-net-worth individuals looking to reduce estate taxes before the 2026 rule change.
- If you’re worried about Medicaid planning, an irrevocable trust can help you qualify for benefits while still preserving family wealth.

The truth is, most estate plans involve a combination of these tools. It’s not “one or the other.” You might have a revocable trust for day-to-day assets and an irrevocable trust for larger assets you want to shield.

Michael: Great point, Howard. We always stress that estate planning is not a one-size-fits-all process. It’s about customizing a plan that fits your needs today and evolves as your life changes.

Howard: Exactly. If you’re listening right now and haven’t set up a trust—or if you’re unsure if you have the right one—reach out to us at Silver Edge Financial Group. Call us at 561-300-0090 or visit [www.silveredgefg.com](http://www.silveredgefg.com). Our partnership with Wealth.com makes it easy to create, update, and manage your estate plan.

Michael: Let’s talk a bit about the Tax Cuts and Jobs Act and how it ties into estate planning. The TCJA introduced significant changes to the tax code, including raising the estate and gift tax exemption to historic levels. But those provisions are set to expire at the end of 2025, potentially changing the estate planning landscape. Howard, what should people know about these changes and how they might impact their plans?

Howard: The TCJA increased the federal estate and gift tax exemption to \$13.99 million for individuals and \$27.98 million for married couples. This means that fewer estates are subject to federal estate taxes. However, when the TCJA sunsets in 2026, those exemptions will revert to their pre-TCJA levels, which will likely be around \$7 million per individual, adjusted for inflation. This means that many estates that

are currently exempt from federal estate taxes could become taxable, potentially creating a significant tax liability for heirs.

Michael: For high-net-worth individuals and families, this creates a window of opportunity to take advantage of the current exemptions before they decrease. Strategies like gifting assets to irrevocable trusts or directly to beneficiaries can help reduce the size of a taxable estate. Howard, can you elaborate on some of these strategies and how they work?

Howard: One strategy is to use the increased exemption to make substantial gifts to irrevocable trusts. By doing so, you remove those assets and their future appreciation from your taxable estate. Another option is creating a Spousal Lifetime Access Trust, or SLAT, which allows one spouse to gift assets to a trust for the benefit of the other while still using the increased exemption. Additionally, clients may consider charitable giving strategies, such as donating to a charitable remainder trust, which provides tax benefits while supporting a cause they care about.

Michael: These are great tools for reducing potential tax liabilities. And for those who may not have estates large enough to be affected by the federal estate tax, there are still state-level taxes to consider. Many states have their own estate or inheritance taxes, with much lower exemption thresholds. This is another reason why estate planning is so important—it's about more than just federal taxes.

Howard: That's a good point, Michael. Even if you think your estate won't be affected by federal taxes, it's essential to understand the laws in your state. Florida does not impose a state-level estate tax or inheritance tax. This policy, established in 2004, means that estates of Florida residents are not subject to state estate taxes. However, Florida residents are still subject to federal estate taxes. For 2024, the federal estate tax exemption is approximately \$13.61 million per individual, allowing estates valued below this threshold to pass to heirs without incurring federal estate taxes. It's important to note that this exemption is scheduled to decrease to around \$7 million per individual in 2026, as provisions from the Tax Cuts and Jobs Act expire.

Michael: So, Howard, let's answer the big question: Do I need a will, a trust, or both?

Howard: That's the million-dollar question, and the answer depends on your goals. Here's a simple guide: If your estate is small and you're comfortable going through probate, a will alone may be enough. If you have privacy concerns, want to avoid probate, or you have real estate in multiple states, a revocable trust is the better choice. If you're concerned about taxes, Medicaid planning, or creditor protection, you may need an irrevocable trust. For most people, the ideal plan is to have both a will and a trust. The trust handles big-ticket items like real estate, investment accounts, and business interests. The will acts as a "catch-all" for anything you forgot to put in the trust, like personal belongings, jewelry, or even your pets.

Michael: Howard, if someone listening today hasn't started their estate plan yet or hasn't reviewed it in years, what's the best first step they can take?

Howard: The first step is to schedule a consultation with us. We'll help you assess your current situation, identify your goals, and develop a plan that works for you and your family. Our partnership with Wealth.com makes the process seamless and accessible, so there's no reason to delay. To our listeners, if you're ready to start planning your legacy, reach out to us at Silver Edge Financial Group. Call us at 561-300-0090 or visit [www.silveredgefg.com](http://www.silveredgefg.com).

Michael: Thanks, Howard. And thank you to our listeners for joining us on *Financial Edge*. If you have questions about today's topic or want to schedule a consultation, visit our website or call our office. Remember, planning today secures tomorrow. Have a great Sunday, everyone!

Howard: Take care, and we'll see you next week! COMPLIANCE NOTE: This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.