

# Estate Planning

## Five Things It Can Do For You

**5** vehicle operate independently of the driver, so the system is simple and streamlined,” said Collinet, who added that Mercedes maintains one of the highest buyer loyalty rates in the industry at 60 percent.

**6** Industry-leading security solutions. Sophisticated anti-theft systems on luxury vehicles make them less likely to be stolen than other cars and SUVs. “Insurance companies also like the fact that we can track vehicles down in a matter of minutes if they are stolen,” said Collinet, who said this scenario played out in April 2013 when the Tsarnaev brothers stole a Mercedes SUV following the Boston Marathon bombings.

**7** Higher resale prices. While the initial purchase price is higher on luxury vehicles, these cars and SUVs tend to hold their value over time, Collinet said. Leasing has also become a popular option among more drivers, he added, and it now accounts for 50 percent of Lithia’s business.

**8** Cutting-edge technology. Luxury vehicle manufacturers remain at the forefront of automotive innovation. Within a year, for example, Mercedes vehicles will be able to communicate directly with the dealer regarding diagnostic issues. “In some cases, the dealership will be able to fix certain problems remotely,” Collinet said. Demand for luxury vehicles remains strong in the Des Moines market, Collinet noted. “In the last couple of years, our Mercedes business is up 40 percent while our BMW business has grown 10 percent,” he said. “These vehicles offer the amenities, safety and comfort that people are looking for.”

You’ve worked hard to increase your net worth and provide a level of financial security for your loved ones. Doesn’t it make sense to work just as hard to protect those assets for your heirs?

“Smart estate planning involves much more than a will,” said Margaret Van Houten, a senior shareholder with the Davis Brown Law Firm in Des Moines. “You want to find solutions to safeguard your assets and transfer them as easily and quickly as possible when that time comes.”

### CAREFUL ESTATE PLANNING WILL HELP YOU:

- 1. Provide for your family and/or beneficiaries.** To make a plan for asset transfer, start by deciding whether to use a will or a revocable trust. A revocable trust offers a number of advantages compared to a will, Van Houten said. First, the trust helps you avoid probate upon the testator’s death. “This can save some court costs and attorney’s fees, but most of all it saves time,” she noted. Second, there are more checks and balances in the trust, in terms of protecting assets. Finally, the terms of a revocable trust are private, unlike the terms of a will.
- 2. Ease potential strain on your family.** A well-designed estate plan is especially useful in the case of second marriages. “If one spouse dies and the other remarries, it’s important to clarify what happens to the assets,” Van Houten said. If there’s no pre-marital agreement, Iowa law says the surviving spouse can elect to take approximately one third of the deceased spouse’s estate. It’s often best to establish a pre-marital agreement with a second marriage, Van Houten noted. “Then you can make provisions for how each spouse wants to leave his or her assets to their own children or beneficiaries.”
- 3. Reduce taxes on your estate.** If you have at least \$5 million in assets or higher levels of net worth, look at ways to reduce estate taxes. “These planning opportunities have not changed much, despite all the changes in tax laws,” Van Houten said.
- 4. Leave a legacy.** If you own a business, review your options for succession planning so you can provide for an orderly transition by spelling out what will happen to your interest in the company, Van Houten said.
- 5. Enjoy greater peace of mind.** Through careful estate planning, you can ensure that your assets will be distributed according to your wishes. To make sure everything is accurate, review your estate plan at least every three to five years. Don’t overlook the basics. “Maintain a complete listing of your assets, including your home, vehicles, investments, savings bonds, time shares, retirement plans and life insurance policies. Review your beneficiary designations with your attorney when you update your will and remember that assets passing by beneficiary designation are not distributed as your will directs.