



“If you have minor children you should appoint a guardian for your children. By preparing a Will, you not only plan for the distribution of your property, but also for your children’s future.”

**Consider life insurance.** If you have substantial assets (home, investments, dental practice), you must have life insurance. In order to avoid estate taxes (which may be as high as 51% of), you should consider establishing an Irrevocable Life Insurance Trust.

**Understand estate taxes.** If you have accumulated any type of assets whatsoever [house, bank account, investments, life insurance and especially a dental practice], you must take the necessary steps in order to reduce your estate taxes. You have worked hard all of your life, and if you fail to plan, your family may lose everything.

**Protect your business.** If you are the sole owner of a dental practice or have a partner, you must have a business succession plan. A succession plan should specifically outline what happens to your dental practice or your ownership interest in the dental practice at the time of your death. If you have a partner, you must have a Shareholder’s Agreement.

**Store your documents.** In order to ensure a smooth estate planning transition, the following records should be easily accessible: Will, trusts; insurance policies; real estate deeds; certificates for stocks, bonds, annuities; information on bank accounts, mutual funds, and safe deposit boxes; information on retirement plans; 401(k) accounts, or IRAs; information on debts- credit cards, mortgages and loans, utilities, and unpaid taxes; information for funeral prepayment plans; and any final arrangements instructions you may have.

As the owner of a dental practice, you constantly deal with the day to day pressure [accounts receivable, employee problems, marketing, patients, etc.]. In the rough and tumble world of dental practice management, don’t forget to manage your own estate.

## FTC Delays 'Red Flag' Rule

To assist small businesses and other entities, the Federal Trade Commission will delay enforcement of the Red Flag Rule until November 1, 2009.

The Red Flag Rule is an anti-fraud regulation, requiring "creditors" and "financial institutions" with covered accounts to implement programs to identify, detect, and respond to the warning signs, or "red flags," that could indicate identity theft.

The financial regulatory agencies, including the FTC, developed the Rule, which was mandated by the Fair and Accurate Credit Transactions Act of 2003 (FACTA). FACTA's definition of "creditor" includes any entity that regularly extends or reviews credit – or arranges for others to do so – and includes all entities that regularly permit deferred payments for goods or services.

## Online Presence

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## Simple Estate Planning for Dentists

Statistically, 70% of all dentists will die without a Will. That could have devastating consequences. Failure to plan could directly affect the amount of estate taxes your estate may be required to pay Uncle Sam (i.e., IRS). In some cases, estate taxes may be as high as 51%. By taking a few simple steps, you can save your loved ones a great deal of heartache.

Since having your estate in order is one of the best gifts you can give a loved one, I have outlined simple steps that, if completed, will put your mind and a loved ones mind at ease.

**Make a Will.** You should state precisely who will receive your property at the time of your death [i.e. spouse, children, etc.]. If you have minor children you should appoint a guardian for your children. By preparing a Will, you not only plan for the distribution of your property, but also for your children's future.

**Consider a trust.** There are two kinds of trusts, an Irrevocable Trust and a Living Trust. An Irrevocable Trust may be used to avoid potential estate taxes, as well as asset protection. If you have a life insurance policy, one of the easiest ways to avoid estate taxes on your life insurance proceeds is to establish an Irrevocable Life Insurance Trust [ILET]. A properly prepared life insurance trust may protect your life insurance proceeds from estate taxes. A living trust is used to control your property while you are living, and also to avoid probate.

**Make health care directives.** By creating a healthcare directive, you will be able to set forth in writing your healthcare wishes and intentions. Unless you outline in writing your healthcare wishes and intentions [life support, coma, vegetative state], someone other than a loved one may be forced to make life and death decisions for you.

**Make financial power of attorney.** A general power of attorney will allow you to appoint a trusted person to handle your finances if you are unable to do so yourself.

**Protect your children's property.** If you have minor children, you should appoint a trustee in your Will [or Trust] to handle the disposition of your children's property in the event of your death. If you fail to plan, your children may receive a substantial amount of property [land, dental practice, etc.] when they turn 18 years old. Your Will [or Trust] should state what age(s) you wish your children to receive their property (21, 25, 30, etc.)

**File beneficiary forms.** If you have a bank account or investment account, you may be able to designate a beneficiary for those accounts. Many accounts are "pay on death accounts", which will allow the funds in such accounts to be paid directly to your designated beneficiary. In most cases, "pay on death accounts" are excluded from the probate process.

*This article is continued on the next page.*