Shearwater Creek **Case Study**

Leaving Too Much To Kids?

It was a while since we last engaged Fred and Carole in an in-depth review of their wills and trusts, so we scheduled a half-day session along with their attorney and CPA. In preparation for the meeting, we ran an eMoney® plan to see how recent investment results compared with their original stated objectives. Finally, knowing that philanthropy factored significantly in their plans, we also invited a philanthropic specialist to join us as well.

Planning and advice to help you focus on what matters in life.

SHEARWATER CREEK
WEALTH ADVISORS LLC

We introduced the idea of setting up a family donor advised fund (DAF).

As a result of the *eMoney* review, it was clear that Fred and Carole's assets had grown significantly beyond their earlier expectations. Now in their late 60's, their retirement accounts would soon trigger required minimum distributions (RMD's) far in excess of their projected spending needs. In addition, the trust they set up for their only daughter Emma had also grown much larger than expected. Emma, meanwhile, was now 32 years old and married to a rising executive at a successful technology company.

At this point, Fred and Carole were concerned that they were leaving too much money to Emma and wanted to start accelerating their philanthropic priorities. Unfortunately, two non-profits that had been significant beneficiaries of earlier gifts had not been responsive at staying in touch over the years. Fred and Carole wanted to take action in reducing their taxable estate yet were uncomfortable making new gifts to the same organizations.

We introduced the idea of setting up a family donor advised fund (DAF). With a Donor Advised Fund, Fred and Carole can take an immediate tax deduction when they contribute cash, low-basis securities or other assets. The gifted assets can then be invested for tax-free growth and they can recommend gifts to any IRS-qualified public charity. Compared to giving directly to a specific charitable organization, a DAF offers greater flexibility in distributing gifts to multiple charities on their personal timetable.

Shearwater Creek Wealth Advisors LLC
30 Jelliff Lane, 2nd Floor • Southport, CT 06890 • 475-888-9275 • www.shearwatercreekwa.com

Chris Sawch, Partner
475-888-9277

Ed Booth, Partner
475-888-9278

[PM]-08122027-5202641