CLIENT GUIDE

Advanced Markets

# Estate Planning Client Guide

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# Why Create an Estate Plan?

At the core, creating an estate plan ensures that your wishes will be followed. Estate planning typically involves creating legal documents to make sure your assets are distributed as you intend for them to be — should you become incapacitated or pass away. Creating an estate plan can provide peace of mind and limit fights that often ensue when no estate plan is in place.

When no plans are in place, it is usually "others" that ultimately make difficult decisions. While one of the purposes of estate planning might be to minimize probate expenses, the ultimate goal is to pass on a meaningful legacy to those you care about.

This guide will give you a clearer understanding of estate planning — from basic tools to sophisticated planning options. By using this guide and working with your advisor(s) to implement planning options, you'll be well on your way to preserving the estate you've worked so hard to build.

## What is Estate Planning?

Effective estate planning ensures that:

- your assets will be managed competently if you become disabled
- your estate will be distributed to your beneficiaries as you decide
- you preserve asset values by reducing transfer taxes and expenses
- you leverage lifetime gifts and make maximum use of your available tax exemptions
- those who depend on you will continue to be cared for

## Wealth Transfer Costs

Most people create and implement an estate plan so that they can properly express what they would like to happen to their assets. While this is usually the main motivator behind estate planning, without an estate plan there can be costs associated with transferring wealth.

These costs may include:

- Professional fees and probate costs
- Income taxes on annuities and retirement assets
- Estate, gift, and inheritance taxes on both the federal and state level
- Generation-skipping transfer (GST) tax

### Professional Fees and Probate Costs

Probate court is the court that ultimately reviews your will, but if you die intestate (i.e., without a will in place), this court will oversee the distribution of your assets according to state law. Intestacy rules vary by state, but typically your assets will go to your next of kin (as defined by the state). As you might imagine, even with a will, your estate can be contested; dying without a will almost guarantees contestability amongst heirs. Legal and accounting fees, as well as probate costs, can deplete your estate and require additional liquidity. Consider whether your estate will have enough liquid assets to pay these costs and adequately provide for your beneficiaries.

### Income Taxes on Annuities, IRAs, and Qualified Retirement Accounts

Qualified plan accounts, annuities, and IRAs are subject to ordinary income taxes after death. Unlike other assets that receive a step-up in basis at death, these assets will be reduced by income taxes.

### Estate Taxes

For many people of substantial wealth, federal estate taxes will take the largest chunk out of their estate. As of 2013, taxpayers have a lifetime exemption of $5M, indexed for inflation. This means that each taxpayer may give upwards of $5M during life and/or at death without having to pay gift and/or estate taxes. Anything above this exemption may be subject to estate taxes with the maximum rate being 40%.

#### What Assets Get Counted for Estate Tax Purposes?

Your gross estate includes every asset you own at death, including cash, bank accounts, CDs, stocks, bonds, mutual funds, notes receivable, real estate, business interests, retirement plan assets, annuities, life insurance, automobiles, jewelry, and other personal property. These assets are usually taxed at their fair market value as of the date of death. Plus, all taxable gifts made during the decedent's life are pulled back into the estate for estate tax purposes. (Credit is given for taxes paid on such prior gifts.)

### State Estate and Inheritance Taxes

It is important to note that while you may not have estate tax concerns on the federal level, each state has different estate and inheritance laws. There are states that have no estate or inheritance taxes and then there are other states (and the District of Columbia) that have established separate estate or inheritance taxes, in addition to the federal estate tax. State estate and inheritance tax rates can go as high as 18% and can vary depending upon the state, the size of the estate, and the beneficiaries of the estate. The amount exempt from state estate and inheritances taxes also varies, but it could affect estates that are not impacted by the federal tax. Consult your advisors to determine the current tax in your state of residence.

### Generation-Skipping Transfer Tax

In addition to gift and estate taxes, another tax to consider is the generation-skipping transfer (GST) tax, which imposes a tax on transfers to persons two or more generations below the transferor, including certain transfers from grandparents directly to grandchildren. The GST tax also affects transfers to, and distributions from, certain trusts. The GST tax is imposed on generation-skipping transfers in addition to any estate or gift tax that may be due on the transfer.

### Summary

Although the costs of transferring your assets can be significant, many estate planning tools do exist to absorb some of the impact of these costs. Your advisor(s) can review these tools with you to see if one or more can apply to your situation. An effective estate plan should minimize transfer costs and arrange for the payment of costs that arise at your death.

## Basic Estate Planning Tools

### Will

Your will is an important document that contains your instructions on who will receive your probate assets. Your will can also establish who the executors of your estate will be, and who will act as guardians of your minor children. A will does not typically affect the transfer of assets that are held jointly, or assets that have beneficiary designations, such as life insurance, annuities, and retirement benefits. Assets passing under a will must be transferred through the probate process.

### Unlimited Marital Deduction

If you are married, you can transfer unlimited assets to your spouse, during your lifetime or at death, without suffering any federal estate or gift tax liability. It is important to note that if your spouse is **not** a U.S. citizen, other restrictions apply. You can take advantage of the marital deduction by making an outright gift to your spouse or by using a marital trust. A qualified terminable interest property (QTIP) trust is a common type of marital trust that lets you determine the final trust beneficiaries after your spouse dies. However, because marital deduction property is subject to estate taxes at the death of the surviving spouse, you may need to use other cost-saving techniques as well.

### Portability

The 2012 Tax Act extended "portability" of lifetime exemption for married taxpayers, which means that a taxpayer may also use any lifetime exemption of the taxpayer's last deceased spouse that remains unused. Ultimately, portability can be used by married couples to shelter $10M from estate taxes.[1] It is important to note that there are formalities that need to exist in order to apply portability.

### Credit Shelter Trust

A credit shelter trust has traditionally been the trust that serves to take advantage of your applicable exclusion amount and still provide for your surviving spouse and children. Married couples should consider holding some assets individually, so that both spouses can fully use their applicable exclusion amounts, regardless of who dies first. Portability has reduced the need for traditional credit shelter trusts, but such trusts are still a valuable and necessary tool. It is important to note that credit shelter trusts serve to maintain the deceased spouse's lifetime exemption and the appreciation on those assets (during the surviving spouse's lifetime) is in trust versus in the taxable estate. In addition, portability does not apply to GST taxes, so in order to preserve the GST exemption trust, planning should be considered.

### Living Will/Health Care Proxy

A living will is a document that lets your family members and doctors know what type of care you do (or don't) want if you become terminally ill or permanently unconscious. The living will becomes effective *only* when you are incompetent to make your own medical decisions (i.e., you are physically or legally unable to express your wishes yourself). Some states also allow you to create a power of attorney for health care, or a health care proxy, to appoint another individual to act on your behalf if you are incapacitated.

### Durable Power of Attorney

A durable power of attorney is a document that can authorize one or more persons to act on your behalf if you are not able to act on financial, legal, and administrative matters, especially if you are not competent to make these decisions for yourself. A durable power of attorney can enable your family members to manage your affairs, without having a guardian or conservator appointed by the Probate Court. There are significant legal, administrative, privacy, and cost benefits to executing a durable power of attorney, which will take effect if you are absent or mentally incompetent.

### Trusts[2]

Wills will generally cover distribution of probate assets, while trusts are entities that can manage assets and distributions over time. Furthermore, trusts can be revocable and/or irrevocable. Revocable trusts allow the individual to make changes and because there is no loss of control, those assets are still considered part of the estate. Typically, revocable trusts become irrevocable upon the death of the grantor. Once irrevocable trusts are created, they cannot be amended or controlled by the individual who creates them (commonly referred to as the grantor). Assets that are placed in irrevocable trusts are generally out of the control of the grantor and are also not included in the person's estate.

There are many benefits to irrevocable trusts. They can:

- offer privacy, unlike wills that can be viewed by the public after death; irrevocable trusts do not have the same transparency
- offer ongoing control over the distribution of assets
- hold various assets, including cash, bonds, life insurance
- offer protection from creditors of the grantor and of the beneficiaries
- be in existence for many years; some can live in perpetuity (depending on the state)

## Funding an Irrevocable Life Insurance Trust (ILIT)

The first step in trust planning involves creating the trust (with the help of an attorney) and then specifying a trustee. The second step is funding the trust. More often than not, individuals fund trust through gifting. You can start a lifetime gifting program to reduce the size of your estate. Gifting during your life can remove assets and their future appreciation from your estate. When deciding which assets to give away, generally you should choose assets that you believe will appreciate rapidly after the gift, and assets that you can give away at a discounted gift tax value.

Your advisor(s) can help you determine if you should start a gifting program and what assets you should consider gifting.

- **Annual Exclusion Gifts**

  You can take advantage of the annual exclusion from gift tax by giving up to $14,000 in 2013 in cash or other assets each year to as many individuals as you wish without paying any federal gift taxes.[3] If both spouses use their annual exclusions, a married couple can transfer $28,000 per year to each recipient. Well-planned gift giving may dramatically reduce your estate tax liability. The annual exclusion amount is indexed for inflation.

- **Trusts with "Crummey" Powers**

  Gifts to a trust can also qualify for the annual gift tax exclusion if the trust provides its beneficiaries with the right to withdraw gifts from the trust for a certain time after the gifts are made. These withdrawal powers are known as "Crummey" powers. "Crummey" trusts can also be established to benefit minors and to provide for their future expenses, such as education.

- **Applicable Exclusion Gifts**

  You may wish to consider making gifts in excess of the annual exclusion amount (also called "lifetime exemption"), so that future appreciation and income on the gifts are not included in your estate. Lifetime gifts up to the applicable exclusion amount (currently $5 million, indexed for inflation) will not result in any gift tax being due. In some instances, gifts in excess of the applicable exclusion amount may be beneficial. Since the applicable exclusion amount is indexed for inflation, consider gifting the increases as they occur.

## Did You Know?

- **Gifts Paid Directly to Medical or Education Providers**

  If you are interested in paying certain educational or medical expenses on behalf of another individual, such as a child or grandchild, consider paying the provider directly. Qualifying payments do not count against the annual gift tax exclusion or your applicable exclusion amount and are not subject to gift tax or GST tax.

## More About Irrevocable Life Insurance Trusts (ILITs)

An ILIT is an irrevocable trust created to own life insurance. If the trust is drafted and administered properly, the life insurance proceeds received by the trust should not be subject to income or estate taxes upon the death of the insured(s).

### An ILIT Can Help:

- provide cash for your beneficiaries, usually free of income and estate taxes, to fund estate taxes and other transfer costs
- create a pool of assets to increase what your beneficiaries receive
- protect the trust assets from your beneficiaries' creditors
- provide for the effective management of assets after your death
- take advantage of the annual gift tax exclusion
- effectively leverage your GST tax exemption
- provide liquidity for estate equalization among heirs, especially when the estate is made up of business interests, real estate, or art
- provide liquidity for illiquid estate assets

## GST Tax and the Dynasty Trust

The GST tax exemption (currently $5 million, indexed for inflation) presents a tremendous tax planning opportunity, particularly when it is used for gifts to a type of ILIT called a Dynasty Trust. The Dynasty Trust is typically drafted so that the assets remaining in the trust are not subject to estate tax at the death of each child and grandchild.

Clients making annual exclusion gifts to a Dynasty Trust for multiple generations should consider allocating GST tax exemption to these gifts unless the gifts qualify for the GST tax annual exclusion.[4] All states allow the creation of Dynasty Trusts that last for several generations. Some states allow the creation of Dynasty Trusts that can protect trust assets from estate, gift, and GST tax for an unlimited duration.[5]

## Estate Planning with Annuities, IRAs, and Qualified Plan Assets

Annuities and retirement plan assets can be powerful tools to help you save for retirement because they grow on a tax-deferred basis and are generally not subject to income tax until they are distributed.

Like your other assets, annuities and retirement assets remaining at your death may be subject to estate tax. However, because distributions will also be subject to income tax, the combination of the income tax on distributions and the estate tax can consume more than 70% of your retirement assets.

It's important to coordinate qualified retirement assets with your estate plan due to the tax nature of these assets as well as the complex rules governing their distribution.

Your goals, asset structure, age, income needs, and other factors will influence how you will handle distributions from, and beneficiary designations for, your qualified plans. Discuss these options with your advisor(s):

- **Defer Distributions as Long as Possible**

  Because retirement assets grow income tax deferred, you may choose to structure your estate plan to spread asset distributions over the longest possible period. But deferral opportunities are limited — you must accept required minimum distributions from qualified plans or IRAs once you reach age 70½. The balance of the assets that remain at your death may be subject to estate tax, as well as income tax.

  You can defer taking distributions on a deferred annuity for as long as you choose. Deferred annuities generally do not require that the annuitant take distributions during life.

- **Start Distributions Prior to Age 70½**

  You may choose to start taking distributions between ages 59½ and 70½ to satisfy your retirement income needs, thereby reducing your retirement asset balances. If you take distributions from an annuity or retirement plan prior to age 59½, you will ordinarily have to pay a 10% penalty for early withdrawal.

- **Purchase Life Insurance in an Irrevocable Trust**

  You may use a portion of your distributions to purchase single life or survivorship life insurance to:

  – pay the estate and income taxes on your qualified plan assets

  – create a death benefit that can pass to your beneficiaries free of the income tax[6] and estate tax

  – replace the value of assets going to charity

  – reduce the size of your taxable estate

# Spousal ILITs and Grantor Trusts

With the changing estate planning landscape, you may be looking for greater flexibility in your estate plan. The following two concepts can provide you with much of the flexibility you need:

## Spousal ILITs

A Spousal ILIT is an irrevocable life insurance trust that names one of the spouses as a beneficiary of the ILIT, and allows that spouse to have indirect access to the policy cash value. One of the spouses in a married couple is the grantor of the trust and creates and makes gifts to the ILIT. The other spouse is the beneficiary spouse. An independent trustee could be empowered to make distributions to the spouse in his/her absolute discretion, facilitating distribution of up to all of trust assets in any year. If the non-grantor spouse were to be appointed trustee, distributions would be subject to an "ascertainable standard," such as health, education, maintenance, and support. Under very limited circumstances, the beneficiary spouse can "gift-split" with the grantor spouse, but cannot make separate gifts to the trust. Generally, the non-grantor spouse ordinarily should not be a trustee of a trust that owns life insurance on his/her life.

A Spousal ILIT can be set up using either a single life or a survivorship life insurance policy. It can be a good way to supplement retirement income or provide emergency cash, while at the same time getting the estate tax benefits of owning life insurance inside an irrevocable trust. A Spousal ILIT can also be a way to hedge against the possibility of tax law changes by providing financial security for your family through the ILIT, as well as flexibility and indirect access to the insurance policy.

## Sale to a Grantor Trust (SAGT)

An irrevocable grantor trust is a type of trust that is drafted so that the trust income taxes are paid by the grantor of the trust, but the trust assets remain outside of the grantor's taxable estate. The grantor reports the trust income and deductions on his/her individual income tax return at individual income tax rates, rather than the trust paying income tax at trust income tax rates. Establishing an irrevocable grantor trust has several advantages: the individual income tax rates are generally lower than the trust income tax rates, transactions (such as sales) between the grantor and the trust will not have any income tax consequences and income taxes paid do not deplete trust assets.

The grantor trust status can enable the grantor to sell appreciating or income-producing assets to the trust without adverse income tax consequences and will allow the trust to accumulate greater income. Since the grantor is responsible for paying the trust income tax, the grantor is able to make additional gifts to the trust (through the income tax payments), without using his or her applicable exclusion amount.

## Charitable Giving

You can transfer an unlimited amount of assets to qualifying charitable organizations during your lifetime or at death without paying any estate or gift taxes.

### Outright Gifts to Charity

Charitable gifts that you make directly to a charity during your lifetime will usually qualify for an income tax deduction. Although this deduction is limited in a single tax year, you may be able to use the excess deduction in the following five tax years.

### Charitable Remainder Trust

You can also create a Charitable Remainder Trust (CRT) during your lifetime or at death. You can irrevocably transfer an asset to the CRT, and retain the right to receive payments from the CRT for a certain period — perhaps for your lifetime and your spouse's lifetime. Typically, a portion of such payments is a tax-free return of principal. At your death (or after you and your spouse are deceased), the assets remaining in the CRT will be transferred to one or more charities that you name in the trust.

A CRT may be particularly beneficial if you have any assets — such as stock or real estate — that have appreciated greatly since you acquired them. The benefits of a CRT may include:

- Avoidance of capital gains tax
- Charitable income tax deduction
- Reduced estate taxes
- Increased income stream
- Substantial benefit to charity

### Wealth Replacement Trust

To replace the assets going to charity, the CRT is often coupled with an ILIT known as a Wealth Replacement Trust. You can use a portion of the income stream from the CRT to make gifts to the Wealth Replacement Trust. The trustee can then purchase life insurance on you, or survivorship insurance on you and your spouse, to benefit your family.

### Charitable Lead Trust

A good vehicle for people who wish to make current gifts to charity is a charitable lead trust (CLT). A CLT provides an income stream to a selected charity or charities during the donor's life or for a specified time period. After the trust term ends, the remaining trust assets pass to the donor or to beneficiaries named in the trust.

### Private Foundations

You can also consider establishing a private foundation and funding it with appreciated assets, life insurance, or cash. Donations to private foundations will receive an income tax charitable deduction within certain income limitations. Most foundations are required to pay out a percentage of their income each year to selected charities, allowing them to last for several generations. Family members can become involved in the management of the foundation and the selection of charities.

If you are interested in making charitable gifts, talk with your advisors about your charitable giving options.

# Sophisticated Planning Options

## Family Limited Partnerships

You can use a family limited partnership (FLP) or a limited liability company (LLC) to consolidate ownership and management of family assets and shift income or appreciation to other family members. These entities allow parents to make discounted gifts of limited partnership interests to children and grandchildren, or to trusts for their benefit, without surrendering control of a business or property.

Such gifts may qualify for gift tax discounts on their valuation because they are not marketable assets and are often minority interests subject to transfer restrictions.

## Grantor Retained Annuity and Qualified Personal Residence Trusts

The Grantor Retained Annuity Trust (GRAT) and the Qualified Personal Residence Trust (QPRT) are sophisticated estate planning tools that can help you reduce or avoid gift and estate taxes on certain assets.

A GRAT is an irrevocable trust into which you transfer assets, such as stock, and retain the right to receive a fixed-dollar amount from the trust each year. You establish the trust for a term of years and, at the end of the trust term, the assets pass to your beneficiaries.

QPRTs are similar to GRATs, except that the asset you transfer into the trust is a qualifying personal residence or vacation home. You retain the right to live in the residence for a specific number of years. If you survive the trust term, the ownership of residence passes to your beneficiaries at the end of the term, free of additional gift or estate tax. (The QRPT may be drafted to permit the grantor to continue to occupy the property after the term of the trust expires in return for payments of market rent to the QRPT.) With both GRATs and QPRTs, because you have retained an interest in the trust assets, there is a substantial gift tax discount on the original transfer to the trust. Any appreciation on the trust assets that occurs during the trust term will also pass to the beneficiaries, free of additional estate or gift tax.

However, if you die during the term of one of these trusts, its value will be included in your gross estate for estate tax purposes. Life insurance can help offset this potential increase in estate tax.

# Estate Planning and the Family Business

If you own a family business, coordinating your estate planning and business planning is critical. Because many business owners fail to plan for the future, only one in three family businesses make a successful transition to the next generation.

## Provide for Key Employees

As a business owner, you need to structure competitive compensation and benefit packages to attract and retain key employees. Due to annual contribution limits, many highly compensated executives find that they cannot save enough in IRAs and qualified plans to maintain the style of living during retirement. Non-qualified deferred compensation is an excellent way to provide supplemental retirement savings to select employees.

## Plan for Your Successor

At your retirement, disability, or death, who will run the business? Have you designated your successor? Does your successor have the maturity, training, experience, and desire to run the business? These are important questions to answer as part of your estate planning process.

## Decide How to Transfer Ownership

Will your successor own all or part of the business? How will ownership be transferred — through gift or sale?

If you wish to sell all or part of your business to provide cash for yourself or for other beneficiaries, you should create a Buy-Sell Agreement, which designates the date, method, and price for the future purchase of your business. Buy-Sell Agreements, and the funding for them, can be structured in many ways to suit the needs of the involved parties.

## Plan for Estate Taxes

How much is your business worth? How will your estate pay the estate taxes when your business is transferred at your death, or after the death of you and your spouse? Many estates don't have enough liquid assets to pay estate taxes, and generating cash by selling assets in an emergency can destroy a business. Talk with your advisors now to determine how to minimize your projected estate tax liability and pay the remaining estate taxes.

# The Role of Life Insurance

Life insurance is widely used in estate and business planning because it provides an important source of liquidity when it's needed most — at the death of the insured. Death benefits are usually received free of income tax. And, with proper estate planning, insurance proceeds can be free of estate tax as well. Whether it is used for personal, business, or charitable reasons, life insurance can help you plan for the future.

## Personal Uses of Life Insurance

- Supply family members with an income source after the death of an income earner or caregiver
- Provide cash to pay estate taxes
- Pay mortgages and other expenses at death
- Create an estate for your beneficiaries
- Equalize inheritances among children
- Leverage your annual gift tax exclusion, applicable exclusion amount, and GST tax exemption

## Life Insurance and Business Planning

- Informally fund deferred compensation arrangements
- Provide death benefits to a key employee's family
- Finance the replacement of a key employee
- Replace lost revenues after losing a key employee
- Finance the purchase of the business (Buy-Sell Planning)

## Life Insurance and Charitable Giving

- Leave a substantial benefit for your favorite charity
- Replace assets not passing to your family as a result of a CRT or an outright charitable gift
- Allow your charitable gifts to continue after death

## Re-examine Your Plan Periodically to Make Sure it Stays Current

Maintaining your estate plan is as important as creating it. You should review your estate plan periodically with your advisors to make sure it still meets your goals, especially if a change in any of the following has occurred:

- Marital status
- Immediate family (such as a birth, special needs, marriage, or death)
- Business arrangements
- Tax laws
- Residence (especially if you've moved to a new state)
- The amount or type of your assets

## Building Your Advisory Team

Your team of advisors should work together to achieve your estate planning goals. Your team may include:

- Attorney
- Accountant
- Financial Advisor
- Life Insurance Representative
- Trust Officer

Your advisors can help you understand what type of insurance can help you satisfy your estate planning needs.

We hope this reference guide has provided the information you need to begin reviewing your estate plan. If you have additional questions, the John Hancock Advanced Markets Group can be reached at 888-266-7498, option 3.

1. The amount of exclusion is indexed for inflation and is only available for federally recognized married couples who are US Citizens. If a married decedent's applicable exclusion amount is not fully used, then the decedent's executor may elect to allow the surviving spouse to use the unused exclusion amount upon the subsequent death of the surviving spouse. The election is automatically made by timely filing of the married decedent's estate tax return (IRS Form 706), unless the executor opts out of the automatic elections.
2. Trusts should be drafted by an attorney familiar with such matters in order to take into account income and estate tax laws (including the generation-skipping transfer tax). Failure to do so could result in adverse tax treatment of trust proceeds.
3. The annual gift tax exclusion is indexed annually for inflation in increments of $1,000. In 2013 it is $14,000.
4. Clients making annual exclusion gifts to a Dynasty Trust should generally allocate GST tax exemption to these gifts unless the gifts qualify under IRC Section 2642(c). When annual exclusion gifts are made to a Dynasty Trust, some estate planners suggest limiting these gifts to the greater of $5,000 or 5% of the trust estate per beneficiary. See IRC Section 2514(e).

   The gift may also avoid the GST tax if (1) the gift qualifies for the predeceased ancestor exception in IRC section 2651(e) or (2) the transfer meets the IRC section 2642(c) exception. Section 2642(c) provides that certain "direct skips" to a trust created for the benefit of a single beneficiary will not be subject to GSTT if the trust estate will be included in the beneficiary's gross estate at death, and the transfer qualifies for the annual gift tax exclusion or the qualified tuition or medical expense exclusion under IRC Section 2503.
5. At least 22 states have abolished the Rule Against Perpetuities and trusts can either have unlimited duration or last for a longer term of years. These states include Alaska, Arizona, Colorado, Delaware, District of Columbia, Idaho, Illinois, Maine, Maryland, Missouri, Nebraska, New Hampshire, New Jersey, Ohio, Rhode Island, South Dakota, Virginia, Washington, Wisconsin, Wyoming (trusts can last for 1,000 years), Utah (1,000 years), Florida (360 years), and Washington (150 years). Consult your legal or tax advisors to determine the rule for your state.
6. Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are a few exceptions such as when a life insurance policy has been transferred for valuable consideration. Comments on taxation are based on John Hancock's understanding of current tax law, which is subject to change. No legal, tax or accounting advice can be given by John Hancock, its agents, employees or registered representatives. Prospective purchasers should consult their professional tax advisor for details.

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