

Protecting Assets in South Carolina

“A learning opportunity”

An Overview of the Planning Process

Protections Provided to Everyone What your government has done for you.	
<ul style="list-style-type: none">• Statutory State Exemptions: homestead; social security; limited IRA protection• Insurance cash values and proceeds• Federal: Qualified Plans: Safest asset (what about rollovers to IRAs)• Bankruptcy	
Additional Protective Strategies What you can do for yourself. (Subject always to <i>fraudulent transfer rules</i>)	
<ul style="list-style-type: none">• Umbrella coverage<ul style="list-style-type: none">○ Critical○ \$3 to \$5 Million• Prudence and circumspection	<ul style="list-style-type: none">• Gifts• Use of Entities<ul style="list-style-type: none">○ Liability Shield○ Protect inside assets• Cash value insurance payable to family;• Asset Protection Trusts (“APTs”)<ul style="list-style-type: none">○ DAPT (not in SC)○ Foreign APT
Additional Protective Strategies What you can do FOR OTHERS, and what others can do for you.	
<ul style="list-style-type: none">• Third party trusts for a beneficiary: NOT self-settled<ul style="list-style-type: none">○ Lifetime, totally discretionary with spendthrift and NOT beneficiary-trusteed.○ Lifetime, discretionary with HEMS standard, spendthrift protection, with <i>beneficiary as trustee</i>; beneficiary has testamentary special power of appointment• Gifts of Limited partnership (LP) and Limited Liability Company (LLC) interests;• Stand Alone Retirement Trusts (STAR Trusts)<ul style="list-style-type: none">▪ Conduit: reasonably safe• Accumulation: safe	