

David J. Boczar, CFP®, CFA

PRESS RELEASE (reprint): June 7, 2004 - For Immediate Release

David J. Boczar, CFP®, CFA Appears On Connecticut News 12's Weekly Business News Program *12 On The Money*

David J. Boczar, CFP, CFA recently appeared as a guest on Connecticut News 12's business news show, *12 On The Money*. The weekly show *12 On The Money* is hosted by **Rebecca Surran**, a veteran news anchorwoman who has worked with News 12 Connecticut since the launch of Cablevision of Connecticut in August 1982. This was Boczar's second appearance on the program. He first appeared on the show in February 2004. Continuing on the topic he introduced during his initial appearance on *12 On The Money*, Boczar discussed several aspects of estate planning.



Regarding the Federal estate tax unified credit exemption, Boczar noted that the exemption stands at \$1.5MM per person for 2004 and 2005 and will increase through the remainder of the decade. Under current law, Federal estate taxes are to be repealed for a single year in 2010, followed by a reinstatement of the \$1.0MM exemption level in 2011. Boczar recommended that individuals regularly review their estate situations in order to be current with respect to prevailing exemption levels. On the issue of Irrevocable Life Insurance Trusts ("ILITs"), Boczar explained that while life insurance is a tax-free payout to the beneficiary, the face value of life insurance is included in the taxable estate of the owner of the policy. Using an ILIT, the life insurance is owned by a trust and it is not a part of the taxable estate. This can help to reduce estate taxes, sometimes significantly. However, Boczar cautioned that the transfer of ownership of life insurance into an ILIT is an irrevocable transaction and the implications of this must first be seriously considered and analyzed.

Boczar also discussed some of the features of The Connecticut Partnership for Long Term Care™ program with asset protection and how this can be used for wealth preservation strategies. The program began 12 years ago in response to pressures associated with increasing state Medicaid expenditures for long-term care. Boczar explained that under the program, for each dollar of long-term care insurance a person has available, after the insurance benefits are exhausted, a dollar of assets can be kept and the person can still be eligible for state Medicaid aid. Moreover, in explaining the program's feature of an automatic 5% compounded annual increase in the amount of the long-term care insurance benefit, Boczar illustrated how this can serve as a useful tool for younger people. For example, if a 40 year-old were to enter into a long-term care policy that has \$200,000 in benefits, with the 5% compounding feature, this could grow to approximately \$1.4MM when the individual turns 80. Thus, at that point \$1.4MM would be available for long-term care expenditures, and \$1.4MM could also be kept after the insurance benefits were exhausted and the individual switched over to Medicaid. According to Boczar, the wealth preservation aspects of the program are largely complementary with estate planning strategies.

In his financial planning practice, David Boczar is instrumental in assisting clients in areas such as asset management, life insurance planning, educational planning strategies, long-term disability implementation, long-term care insurance, estate planning strategies,* and savings/accumulation strategies. Boczar has a long and distinguished career in the financial services industry in equity and fixed-income security analysis, asset management, compliance and banking, encompassing over 20 year. To view the *12 On The Money* broadcast, please visit <http://ondemand1.cv.net/news12/FCOM514T.aspx>.

* Please seek the guidance of your professional tax and legal advisors before making any decisions. For more information about David J. Boczar, CFP®, CFA, please call 203-226-0222 or visit www.davidjboczar.com.