

Estate Planning for Philatelist

(An outline of considerations)

Presented by: Ken Martin, American Philatelic Society Chief Operating Officer/Shows and Exhibitions

1.0 Why should you do it?

1.1 Financial implications

1.1.1 Minimize taxes (Federal/State)

1.1.2 Make sure a fair price is received

1.2 Increase chance that you intentions are carried out

1.2.1 Pass on to family

1.2.1 Interest others in hobby

1.2.2 Maintenance of collections (Other than family, little chance of preservation)

1.3 Relieve others of burden

1.4 Reduce possibility of conflict

1.5 Unexpected health issues

1.5.1 Death

1.5.2 Loss of eyesight

1.5.3 Move to smaller space

2.0 Goals – What’s most important to you?

2.1 Financial well being of estate

2.2 Financial well being of others (Individuals or organizations)

2.3 Preservation of material (By family or another institution)

3.0 Who should handle your estate?

3.1 You may be able to do the job best yourself. However, disposing of collection while you are still living may wind up killing you earlier

3.2 Executor for philatelic material does not have to be the same as overall executor

3.3 Trusted friend with philatelic knowledge

3.4 Dealer from whose stock you acquired key items

3.5 None of the above available → APS Estate Advisory Service

4.0 Suggestions

4.1 Do not hide or inflate the value

4.2 Do share your interests with family

4.3 Have contingencies/back up plans. Don't assume spouse will outlive you or that friend with philatelic knowledge will be available to handle disposal

4.4 Stress that collection needs care. Movement to basement or attic where it sits for years may be very detrimental

5.0 Preparation

5.1 Inventory of collection

5.1.1. Not necessarily complete list of stamps but significant components (List of different collections or exhibits, stamps, literature, etc.)

5.1.2 Where they are (In stamp room, bank vault, etc.)

5.2 Honest evaluation of resale value (May be less than insurance replacement value)

5.3 Any promises (Put in writing)

5.3.1 Certain material to certain people, first rights to auction or buy, etc.

5.3.2 Contact information: Insurance firm, potential buyers, etc.

6.0 Strategies to minimize tax implications (Always check with current, updated, future tax laws)

6.1 Gifts to children and others in advance of death (\$14,000/year as of 2017)

6.1.1 Material transferred with a Life Retained Interest are still counted as part of an estate's valuation (Title 26, Sub-title B, Sub-chapter A, Part III, Section 2036)

6.2 Donation to charity

6.3 Sell portions prior to death (Tax implications?)

7.0 Resources

7.1 APS Estate Advisory Service

7.2 APS Estate Advisory Labels

7.3 APS website Dealer and Chapter listings

7.3.1 If you have an appraisal be certain to specify desired basis (May be major difference between resale and replacement value)

7.4 *American Philatelist*, March 2007, In My Opinion: Case files from an Estate Advisor (Experiences and suggestions for becoming a philatelic estate advisor), by Scott Troutman, pp 199-204

7.5 I inherited a stamp collection, now what?, by Charles F. Myers (www.inheritedstampcollection.com)