

A Tax Advisory & Estate Planning  
Firm Serving The International Community

**Christopher J. Byrne PLLC**  
Certified Public Accountant  
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## **International Estate Planning for Foreign Nationals Living in the U.S.**



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# Who we are. . .

Christopher J. Byrne PLLC is a tax advisory and estate planning firm that focuses exclusively on international families. The firm concentrates on tax return compliance issues as well as international estate planning matters. We regularly work with foreign nationals who reside in the U.S. as well as those who invest in the U.S.

**Some common examples of the estate plans we have designed for our clients include the following:**

## Example 1

A family from a foreign country moves to the U.S. on a “temporary” work assignment. The family consists of the executive, spouse and their minor children.

A plan was designed with the following components:

A last will and testament recommended. This document directed who would inherit the property at the death of each spouse. It also made clear designations appointing the surviving spouse as the executor of each other’s estate.

The will also includes language as to who they would like to act as guardian of their minor children in the event that both parents were to die together.

Durable powers of attorney were executed to allow the healthy spouse to act on behalf of an incapacitated spouse.

The employer provided life insurance policy was transferred to a family trust to shield it from the risk of the U.S. estate tax in case their domicile was challenged at death.



### Summary:

- We introduced the family to an attorney experienced in this area to handle the document drafting.
- Surviving spouse named as executor.
- Durable power of attorney, also known as financial power of attorney and health care proxies executed.
- Close friend or family member designated as guardian.
- Life Insurance transferred to a tax protected trust.

# What we do. . .

## Example 2

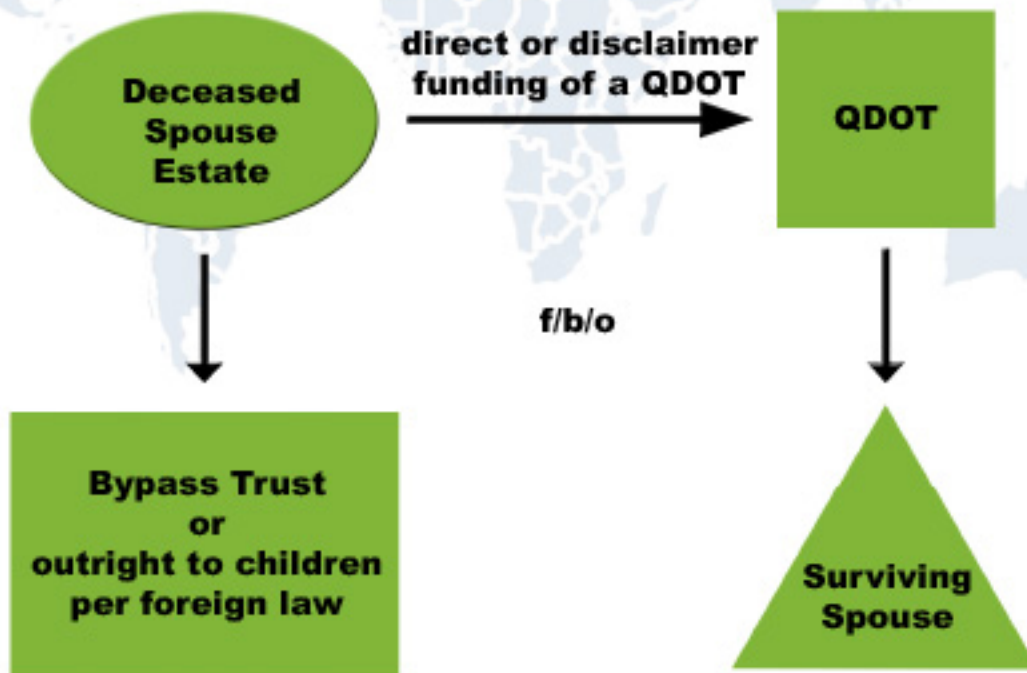
Same facts as above except that in the course of their annual review with us we learned that the family has decided to remain in the U.S. indefinitely. The employer has sponsored them for a U.S. green card. They have recently purchased a sizable home in the U.S.

The above referenced plan was then updated as follows:

Calculations were done to estimate what the U.S. estate tax and the foreign inheritance tax would be in the event of the death of one of the spouses.

The last will and testaments were updated by the attorney to include bypass trusts and qualified domestic trusts (trust vehicles designed to save / defer U.S. estate tax).

The trustee of the Irrevocable Life Insurance Trust (ILIT) acquired an additional term insurance policy on the life of the executive. The spouse also funded an ILIT.



### Summary:

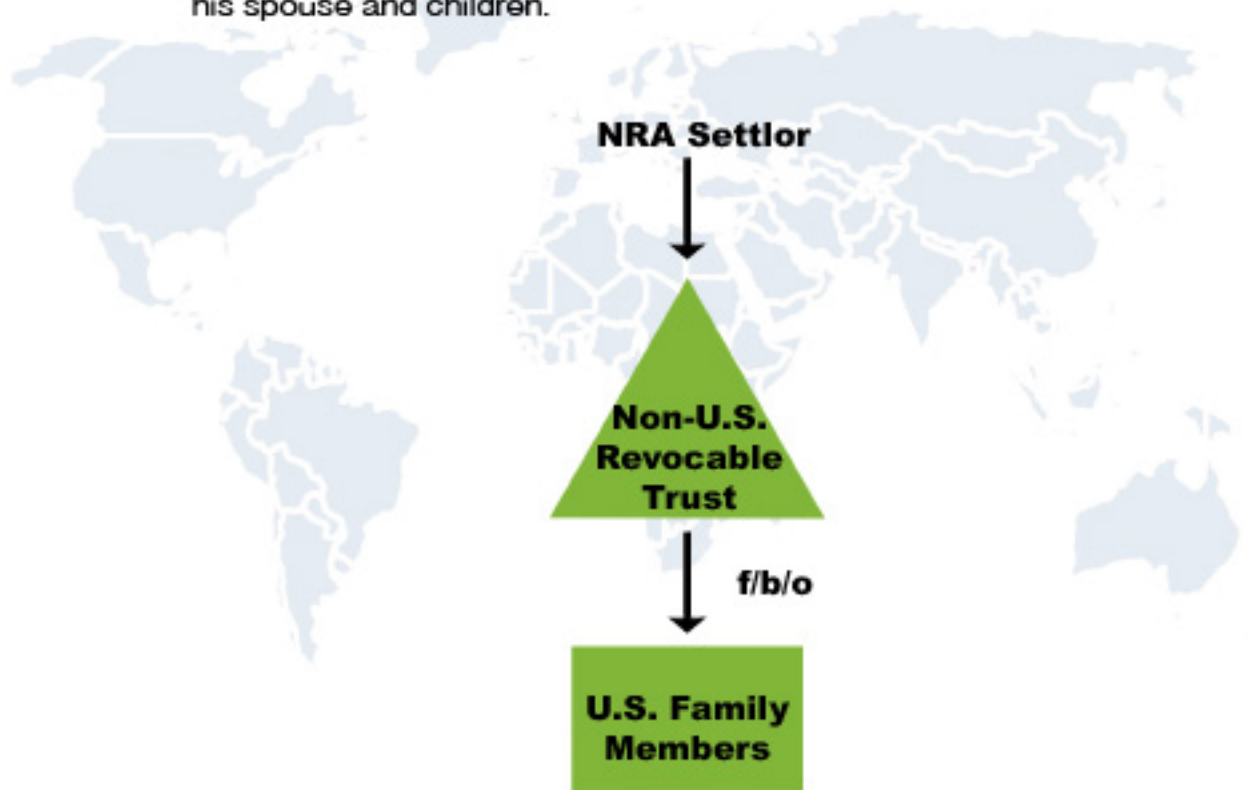
- The trust ownership of the life insurance shields it from estate tax which is then used to provide liquidity to the family in the event of an untimely death.
- The bypass trusts protect future appreciation on estate property from U.S. estate tax.
- The QDOT defers the date the U.S. estate tax becomes payable on the assets passing to a non-U.S. citizen spouse.

### Example 3

Assuming the same facts as the above, except that in a subsequent annual review it was learned that the client's parents (non-U.S. persons who reside outside of the U.S.) have significant wealth and wish to make gifts to all of their adult children, including the executive living in the U.S.

In this case, the existing plan of the parents was modified as follows:

Instead of making direct gifts outright to the U.S. resident, the parents created a non-U.S. revocable trust for the benefit of the U.S. son and his spouse and children.



If the non-U.S. parents were to die while their heirs were living in the U.S., the assets would remain outside the U.S. estate and gift tax system but still be available for the U.S. resident beneficiaries if needed.

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