

# INTERNATIONAL PLANNING

**Did you know that as of 2018, there are more naturalized citizen immigrants in the United States than immigrants without citizenship?**

Immigrant families whether legal or illegal often have many unique considerations to plan around in order to protect their estates and assets in the case of an emergency. Here is some information that might be helpful as you plan to protect your property and your loved ones:

Depending on your legal status and whether you own property outside of the United States, it is important to consider several factors when planning for the future. Among them are how to protect and pass along assets within the United States to beneficiaries outside of the United States, how to protect and pass along property owned in other countries, how to avoid international taxation, and how to properly leave guardian designations for your children if you or their intended guardian is outside of the United States or otherwise unavailable.



## Protecting and Transferring Property and Assets

In the United States having written legal documents are important for establishing rights over property and control over important decisions. Without proper documents court processes such as probate are necessary to transfer assets after death. Therefore it is important for every property owner to have a proper estate plan. If you leave the country often or are at risk of being forced to leave due to legal status, it is also important for documents such as trusts and powers of attorney to become active during an extended absence outside of the United States. It can even allow assets to be liquidated and sent to you or allow for important errands such as collecting past paychecks or forwarding mail to be done for you. If you own property in other countries similar documents may be necessary to protect assets in those countries as well. Your estate plans and documents from every country should coordinate so that they do not cause problems between them.



The United States Tax Code has two designations for tax treatment: Resident Taxpayers and Non-Resident Alien Taxpayers. If you are not a citizen and have not been in the United States consistently for long enough during the tax year to meet the substantial presence test, or die outside of the United States you would be treated as a Non-Resident Alien Taxpayer. Although this may affect your income tax rates it makes a big difference for estate and gift tax purposes. Specific trust plans or corporate structures can allow you to situs property in the United States avoiding international tax exposure or minimizing tax exposure.

For foreign nationals with US estate tax exposure, life insurance can also be a powerful tool for planning around taxes because it is specifically exempt from being counted for tax purposes if you are a non-resident taxpayer. It is important to consult with experienced legal, tax, and financial professionals to properly plan around possible international tax considerations.



## Protecting Minor Children and Permitting Foreign Travel

If you have minor children it is important to designate a guardian for them in the case if your death or incapacity. If the guardian you have chosen resides outside of the United States, it is also important to have a temporary guardian nominated who can assist your children in traveling to the permanent guardians. During extended travel abroad, nominating a temporary guardian over the children is also important to avoid losing parental rights over children if a guardianship is granted and to avoid state foster care involvement. You should consult with legal counsel to address these concerns for your specific situation and planning.

### Also consider:

- Do you own property in other countries which might be lost without proper planning?
- If you left the United States unexpectedly would you have property which might be lost or devalued without proper planning?
- Are you at risk of being treated as a non-resident alien taxpayer for estate or income tax purposes?
- Do you plan to leave children in the care of someone in another country in the case of an emergency?
- Do you have other legal status considerations which should be addressed with legal counsel?

If you have questions or are interested in a consultation, feel free to contact our professional network through your financial advisor/ representative