

Book 86 Moshe Siselsender.

I WISH TO SHARE WITH YOU MY IDEAS THAT ENABLES ONE TO SAVE THOUSANDS \$\$\$\$ IN TAXES.

In addition I have some ideas how to protect your assets. Only an attorney in the States that offer asset protection should create the LLC and Trust.

Here are my ideas of retirement plans and asset protection plans.

The defined benefit plan is the most superior asset protection and income tax shelter in tax history if prepared correctly and revised every year since the laws change yearly.

Following are your savings and costs yearly establishing and maintenance defined benefit plan.

Savings

[1] What ever amount you deposit into defined benefit plan you save half in taxes.

If you close on the rental property building and place it in the name of the defined benefit plan 1/2 of the cost is a saving of taxes.

For example the cost let us say is 50,000,.  $\times 1/2 = 25,000$ , saving against income taxes on your personal return.

If the contribution is 100,000, you save 50,000.

If the contribution is 400,000 you save 200,000.

[2] I do not know the taxes you pay to Federal different states and foreign governments where you do business .

However I can safely state that the taxes you pay will be cut drastically if you establish a defined benefit plan.

If you already have retirement plans in place let me review your plans and offer my thoughts how you can improve. The laws change every few months.

Let us say you pay taxes federal and State taxes 200,000 or 400,000 .With the plan we may be able to slash thousands of dollars.

I can not tell you HOW MUCH unless I see your plans and the amount you pay in taxes. to IRS DIFFERENT STATES AND FOREIGN GOVERNMENTS.

It all depends  
the amount of  
your tax and  
the size the

amount of the  
pension  
contribution to  
offset the tax.

Let us say you save 100,000 that you pay on taxes.

[3] You then invest the 100,000 saved from taxes in real estate OR OTHER INVESTMENTS IN THE NAME OF THE RETIREMENT PLAN.

[4] Or else you use the 100,000,000 saved from taxes to finance another year defined benefit plan.

[5] The money in the Defined Benefit Plan is protected from all creditors. No creditor can ever touch the money. It is known as the anti alienation clause. The protection does not cover you if you owe taxes.

[6] The first April 15 after you reach age 70 1/2 you must withdraw a minimum distribution . This represents a sum of money calculated by a table that takes the total of your assets money and real estate and divides this number by an other number that actuarial estimates the remaining life span of you and your wife. For example let us say you have 35,000,000 in your plan. You re age 72 and YOUR WIFE is age 62 [I am assuming that is her age as an example ] . The table states that you divide the 35,000,000 by 25.6 =1,367,188

If YOUR WIFE IS age 67 when you are age 72 you divide the 35,000,000 by 22.5= 1,555,556.

If YOUR WIFE IS age 69 when you are age 72 you divide 35,000,000 by 21.4 =1,635,514.

I JUST AM USING THESE AMOUNTS AS AN ILLUSTRATION.

If you do not have such net worth. You certainly deserve to have this sum.

These amounts must be declared as income. However you still will be making a contribution to your defined benefit plan You will be contributing more money than you must declare as income. Thus the amount you must declare as income will be washed out. It will cost you zero ziltch.

[7] If you choose not to retire YOU NEVER HAVE TO PAY TAXES ON THE MONEY IN YOUR DEFINED BENEFIT PLAN other than the minimum contribution mentioned in [6] .

[8] You must cover all employees wherever they work in any of your businesses. Let us say that the defined benefit is in the name of XYZ III . You must still cover your employees at XYZIIV .and xyz IIVI

[9] However you only cover those employees who have worked 1000 hours or more for the whole year.

[10] An employee must have worked with you for 3 years in order to vest . Vesting means that the employee retains an equity in the money you set aside in his or her name .

Let us say you have to put aside 5,000 for an employee in the year 2017

Year	% vested	\$amount vested
1	0	0
2	0	0
3	0	0
4	33.3	1,665.
5	33.3	1,665
6	33.4	1,670
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	<b>Total</b>	<b>5,000</b>

The same happens for each other year that you have to make a contribution for this or other employees.

[11] The amount of your contribution for other employees is controlled by integrating with social security that you presently pay for your employees. The integration is done by an actuary. A critical factor is the age of the employee . The younger the less amount you have to set aside .

[12] I want you to send me

[a] list of your employees

[b] their ages

[c] date of hire

[d] salary currently earned

[e] average number of hours worked each week.

I will have my actuary figure out the amount you must put aside .

[13] The amount you set aside is a 50% deduction

Thus if you set aside 100,000,000 you pay ½ less taxes=  
50,000,000

[14] my fee to set up the plan is negotiable. .

[15] you may very well have an actuary in your companies, Otherwise I will get you one.

[16] The plan must be redone each year to ensure it is keeping up with the changed code and regulations. My fee is negotiable. .

[17] This means that your get a 50% tax deduction of what ever you pay me. . Your real out of pocket expense is 50% what ever you pay me.

[18] These fees are ,of course, in addition to the fees you pay your accountant to do your taxes .

[19] The fee to do estate planning for you so your wife and children to pay least amount of Estate taxes is also negotiable. Since the laws change each year the fee each Yearly fee is negotiable. .

[20] I am going to state the exclusions for IRS FOR ESTATE TAX GIFT TAXES AND GENERATION SKIPPING

TAX . THERE EXISTS ONLY ONE SUM FOR EVERYTHING. WHAT EVER YOU USE FOR ONE TAX IS SUBTRACTED FROM THE OTHER. HOWEVER EACH SPOUSE GETS THE FULL OVER 5 MILLION EXCLUSION. IT MAKES SENSE TO DIVIDE UP THE ASSETS IN HALF FOR EACH SPOUSE SO EACH SPOUSE CAN CLAIM AN EXCLUSION OF OVER 5 MILLION DOLLARS. When one spouse dies and their estate is less than the maximum exclusion the balance carries over and is added on to the exclusion amount of the surviving spouse. The surviving spouse can then use the carryover to offset gift taxes. In the contingency the surviving spouse remarries and the second spouse dies their balance over the amount of the maximum exclusion again is added on to the exclusion of the surviving spouse. If the surviving spouse does not use the balance of the first spouse to die then they can only use the balance of the last spouse to die. They can not add together the balances of both spouses.

[a] Internal Revenue Service

There exists an exclusion of 5,450,000 for the year 2016

# You must have estate tax planning.

There exist a number of States that have no estate taxes. It may not be a bad idea to establish your legal residence in one of these states like Alaska Nevada Florida South Dakota Wyoming . There may be additional States.

On the other hand there exists a fresh breath with N.Y. State.

[b] New York State

There exists an exclusion of  
4,187,500 for year

April 01,2016 to March 31,2017.

[c] Then an exclusion of 5,250,000

April 01,2017-to December 31,2018

[d] Then an exclusion of 5,000,000 plus an annual cost of living adjustment

Beginning January 01,2019 and forward.

[21] I do not know if you fall in the category that your estate is over 5,000,000.

IF YOUR ESTATE IS PRESENTLY OR IT WILL BE MORE THAN THE EXCLUDABLE AMOUNTS FOR Federal AND State taxes YOU MUST HAVE ESTATE TAX PLANNING . ESTATE TAX LAWS AND INCOME TAX LAWS CHANGE EVERY YEAR. EVEN IF YOU PRESENTLY HAVE AN ESTATE TAX PLAN IT MUST BE REDONE EACH YEAR.

AFTER THE PENSION PLAN IS CREATED YOU MUST USE AN ACTUARY TO DO YEARLY FILINGS

Cost - You must inquire .

THE TRUST AND AN LLC IS CREATED BY AN NEVADA ATTORNEY

THE LAWS OF TRUSTS AND LLC s change every year or two. THE TRUST AND LLC MAY HAVE TO BE REDONE . I DO NOT KNOW WHAT THE COST IS.

**You can not sleep.  
When you wake up it  
will be too late.**

I AM NOT AN ATTORNEY NOR AN ACTUARY

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That means that in addition to pay the one who creates the defined benefit plan and your estate tax savings plan you must pay an attorney for creating the trust for estate planning. Not all attorneys who create trusts are experts to know all the loopholes that will stand up to scrutiny. There exist very few people who are experts and are honest. They represent an endangered specie.  
!                                   !!!!THE BUYER BEWARE!!!

The same trust set up in Nevada CAN also be an asset protection trust.

[23] What ever amount you pay creator of the defined benefit plan the actuary and the attorneys are 100% deductible. You are in the 50% bracket. What you really pay from your own pocket is 50% what you payout.

Would you not have had these costs you would have paid income taxes half of what you pay out.

The same applies what you pay the yearly fees to re-do the trusts and the estates what you pay to the actuary and to the Nevada attorney.

THE SAME APPLIES WHAT YOU PAY TO SET UP THE TRUST .

I am writing you now a lengthy letter explaining what boundaries exist. How much protection there really is.

I recommend you use a trust for asset protection. With out a trust you definitely are vulnerable. I do not know what your net worth is. IT IS NOT MY BUSINESS. The fact that you have over XYZ dollars makes you a target for a million sharks. There exist attorneys who make a living just in targeting people like you. As you will read in this paper an asset protection trust is not a 100% guarantee . There exist many weaknesses . However , you are ahead of the game if you have a trust protecting your assets.

What ever the cost it is not worse than the fire auto house insurance that you pay for.

Asset protection is an other insurance policy. Hopefully you shall never have a fire or an accident and not use the insurance. The same is true with the asset protection.

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It is better to be over  
careful than sorry later.

One of the  
cardinal lessons  
I learned in my

life is the  
following: If  
you want to  
live a long life  
with out  
problems you

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Must anticipate  
problems and  
protect against  
them . you  
must never be  
surprised. All

the tragedies in  
history  
occurred  
because  
people were

caught off  
guard.

All the men in  
history who  
were  
assassinated

was because  
they  
themselves  
depended upon  
others to guard  
them .The

others did not  
include the  
most bizarre  
the most weird  
the one in a  
million crazy

notions THAT  
COULD  
POSSIBLY  
HAPPEN in  
their calculus.

ASSET PROTECTION WITH ALL THEIR WEAKNESSES  
WORKS IN THE OVERWHELMING NUMBER OF CASES, IF  
THEY ARE SET UP CORRECTLY.

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What are you getting in return?

[24] You are creating a tax shelter. You will be paying as little tax as is legally possible.

This tax shelter –the defined benefit plan will knock out a large percentage of your income taxes as I stated earlier in [1] [2] [3]

[25] In addition to paying very little on all your income generated from the trust deductions

YOU PAY

ZERO

ZILTCH

ALL income means revenues from moneys invested in the Defined benefit plan.

Thus if you receive rental income from properties in your defined benefit plan of 100,000

500,000

or a million dollars

you pay zero tax to IRS NY and all other USA states where you have investments.

If you have investments in a foreign country that you must report on your USA taxes, the Defined Benefit Plan would also be considered a deduction and offset the foreign income.

Would the American defined benefit plan be a deduction for the foreign income that you report to the foreign country?

This is an item I would have to research.

[26] You accumulate the income tax free. YOU THEN USE WHAT YOU SAVED BY NOT PAYING TAXES TO PURCHASE NEW INVESTMENTS IN THE NAME OF THE DEFINED BENEFIT PLAN.

[27] THIS IS THE GREATEST LEGAL TAX SHELTER.

NOTHING CAN BEAT THIS.

ONE HAS TO BE AN IDIOT NOT TO GRAB THIS.

[28] As long as you are alive if you follow my instructions your taxes will be slashed. The money will be accumulated for your wife and children.

[29]

If your estate is or will be more than the exclusionary amount for IRS and the State you live in you must have estate planning.

Even if you move to a state that has no estate tax there exists many issues if you have businesses investments in a state or country that has a tax. The following states have no estate tax :

Alaska, Florida, Nevada ,South Dakota, Wyoming  
You must have estate TAX planning done every year.

[30] You and your wife can likewise make gifts to each of your children up to 28,000 and pay no gift taxes. You can give them more, however whatever you gift over 28,000 is subtracted from your lifetime exemption of the top limit exemption for the Federal .[that I stated earlier in [20] a b c d.

[31] You can at any time you elect to have your children become employees of the XYZIII receive a salary and start putting aside money for them in the defined benefit plan and possibly create another pension plan for them. However this is for the future.

[32] Since the laws change each year all plans must be redone.

Since I do not control Congress or the State legislatures I obviously can not guarantee that there will never be any taxes **EVEN IN THE STATES THAT PRESENTLY HAVE NO ESTATE TAXES.**

[33]All I can state is that

I SPEND APPROXIMATELY  
OVER 25,000 A YEAR IN BOOKS AND  
PUBLICATIONS

I SPEND OVER 15 HO-URS A WEEK  
RESEARCHING ALL NEW TAX LAWS AND  
COURT CASE.

I WORK TOGETHER WITH ATTORNEYS IN THE  
DIFFERENT STATES WHERE MY CLIENTS RESIDE  
OR HAVE BUSINESSES INVESTMENTS LIFE  
INSURANCE STOCKS BONDS SAVINGS  
CHECKING ACCOUNTS BUSINESS PERSONAL  
AND REAL ESTATE

I am a CPA with my own practice specializing  
in tax savings for over 45 years.

If you wish me to be a consultant for your  
retirement plans

IT REQUIRES THE SAME AMOUNT OF WORK AS DRAFTING THE PLAN.

THE FEE IS NEGOTIABLE .

Being a consultant for the estate planning that may very well be as part of a will is the same as drafting a plan. The fee is negotiable .

[34]In Hebrew “brilliant” that you are is called “CHOCHOM”

Send me check made out to United States Treasury for 2,500 . Application fee for Defined Benefit Plan

One after thought.

[35] You may want to protect your other assets not in the Defined benefit plan against creditors . You can create an LLC in the State

of Nevada in order to have an extra layer of protection. You must create an irrevocable trust. Although Nevada Attorneys recommend creating a Grantor trust, I dissent. A non grantor Trust is more protection. You are less target for the “sharks” when it is non Grantor.

[36] You can then place all your assets in the Trust. Your assets are your businesses and all the other investments including your home in the trust. YOU ARE PERMITTED TO LIVE IN YOUR HOME EVEN THOUGH IT IS IN THE TRUST .

[37] You must have a resident of Nevada be the trustee. You must place part of your money

in a bank in Nevada . The more you place in Nevada the greater is your protection.

[38] You are permitted to be a co-trustee and advise the Nevada trustee. You are permitted to have a Protector to oversee and direct the trustee to give you money.

THE ADVISORS AND PROTECTORS TELL THE TRUSTEE WHAT TO DO .

If the trustee does not follow orders he/she is replaced.

THE ADVISOR OR PROTECTOR CAN BE A CLOSE FAMILY MEMBER ACCOUNTANT OR ATTORNEY WHOM YOU TRUST.

However, the Nevada attorney will tell you precisely all details.

The bottom line is that you continue managing your assets or business even though you placed them in an irrevocable trust. Placing all your assets in a irrevocable trust is mandatory to

get asset protection. It is mandatory in order that your assets not enter your taxable estate and pass on to your children tax free beyond the excludable Federal and State amounts.

In that manner  
you continue  
running your  
business and  
assets . At the  
same breath

you have asset  
protection and  
estate  
planning. You  
kill 3 birds with  
one stone.

[39] It is legal according to Nevada law for you to place all your assets- money businesses investment even though they are not located in Nevada in your Nevada Trust.

[40] In order to be protected the Nevada Trust must be in existence 2 years. After 2 years if the creditor first found out the existence of the TRUST HE SHE HAS ANOTHER SIX MONTHS.

[41] However in real life if you get sued for any thing and lose

your creditors can petition

the court to seize your assets

that are not in Nevada.

**THIS IS NOT  
EASY. All states  
are pledged to  
honor the laws  
of other states.**

However, there exists a loophole .

If the judge decides that it is against public policy to subordinate the laws of the state-

where the assets are located -even though they are part of the Nevada Trust, the judge can rule to seize the assets and pay the creditor. There is a wealth of cases what is considered against public policy. Each state have their own laws. One has to consult a bankruptcy attorney in the state your business or other assets are located.

However, if the trust is set up before there existed this creditor then chances are that the judge will not rule to seize the assets.

This is true if at the time the trust is set up there existed many other assets outside the trust. The trustor -who sets up the trust- has more assets than liabilities. He is not reduced to the level that he can declare bankruptcy as a result of shifting all his assets to the Trust.

As a matter of fact the attorney setting up the Trust in Nevada or the foreign Trust in the Cook Islands off New Zealand

MANDATE THAT THE TRUSTOR CERTIFY THAT HE IS SOLVENT.

However , the assets that are located in Nevada can not be reached. All that the creditor can get is a lien that if you sell the asset he will get the money. The creditor can not step in and seize the asset. However any income given to you by the trustee from the asset can be seized. You can have the trustee give income to your children and or other beneficiaries. Possibly even to your wife if the trust is only in your name.

For all the details regarding a NEVADA trust You must consult a Nevada attorney.

As I mentioned earlier you must consult a bankruptcy attorney at the situs where your residence , business, investments, money real estate properties are located .

[43] The creditor has to spend money for lawyers to fight you. It costs you money to defend yourself. However once your assets are protected in the Nevada trust , the creditor may more readily agree to your terms.

[44] However there exists no guarantee. It all depends on many factors .

[45] In the worst case scenario the Court can threaten you that if the assets won in the law suite by the creditor are not released they will put you in jail. You can argue that Nevada law or the law of the foreign Trust in the Cook Islands prohibits the release of the assets. It is not you who is holding up the release .

However in past cases the court ordered the debtor[-you-] to be imprisoned until the debtor figured out a way to release the assets. Thus by placing the assets in a jurisdiction that does not permit their release to any one other than the beneficiary [you or your wife and children ] you are creating additional problems. True , your creditor will not reach those assets in Nevada or the Cook Islands, however you will be in prison.

[46] This does not mean that it is worthless to use asset protection. As far as Nevada or the Cook Islands are concerned you are safe.

However a judge in New York -If you are in New York or any other state other than Nevada- can order you locked up. What this means when you add it up is the following:

In most cases placing your assets in Nevada Trust Foreign Trust in the Cook Islands will provide a barrier to all creditors. Those assets physically in Nevada like cash life insurance annuities real estate in Nevada or the Cook Islands are protected and you have nothing to fear of going to jail. That is true if you live in Nevada or the Cook Islands ,

However, if you live elsewhere there exists the possibility that in the worst case scenario in a jurisdiction outside of Nevada you may be locked up . The reason is because you created the Nevada Trust or the foreign Trust in the Cook Islands. . Because of this fact you caused the creditor to be unable to reach the assets.

However if the trust was created when the creditor did not exist and you had sufficient

other assets to pay all current creditors the chances that a non Nevada judge would lock you up are negligible.

IN THE CONTINGENCY THAT THERE DOES EXIST A REAL CHANCE THAT YOU WILL BE LOCKED UP YOU FOLLOW THE ADVICE OF THE BANKRUPTCY ATTORNEY.

[47]The best jurisdiction that allows protection after ½ year the creditors can no longer reach your assets is by placing your assets in a Trust in the Cook Islands 1000 miles off New Zealand.

[48] Even there court cases exist that the debtors were imprisoned in the USA for

contempt of not following the orders of the USA Court.

[49] It costs the creditors a fortune and the debtors a fortune to defend themselves .

[50] Plus the time the debtor spends in jail unable to conduct his business.

[51] How much did he lose in terms of money to defend himself and loss of earnings by not attending his business ?

[52] He could have lost all his customers and lost his business.

[53] How much hardship did he create for himself and his family?

[54] The only real creditor protection is the Federal retirement plan DEFINED Benefit Plan that I HAVE ADVISED.

[55] There exists a federal law that states that no civil State law or order from any Court of law can trump the

FEDERAL LAW OF ALIENATION OF PENSION FUNDS IN A LEGITIMATE PENSION PLAN. THAT MEANS NO CREDITOR CAN TOUCH YOUR MONEY. NO JUDGE CAN OVER RULE THIS LAW AND IMPRISON YOU.

[56] ONLY IF YOU OWE TAXES THE IRS OR THE STATE CAN GRAB THE MONEY IN THE PENSION PLAN.

[57] ONE WHO IS SEPARATED OR DIVORED AND OWES CHILD SUPPORT OR ALIMONY CAN BE ORDERED BY COURT TO PAY FROM THE PENSION PLAN UNDER CERTAIN CIRCUMSTANCES.

[58] For alimony the wife must be at least 50 years of age. I do not know the circumstances for child support. I have to research this topic.  
IF HE REFUSES HE GOES TO JAIL.

[59] The cost of making a

Nevada Trust paid to Nevada lawyer	2,500
Nevada LLC	1,200

This is important in order to have an other layer of protection.

It also is wise not to place more than one asset in an LLC AND TRUST. Have separate LLC s and Trusts for each of your assets.

Thus if the creditor breaches one trust he has to start from zero and do battle all over

again to reach other assets hidden and protected in an other trust.

It is wise to scatter the jurisdiction of the Trusts . Create trusts for different assets in the following states that have asset protection.

New Hampshire South Dakota Delaware  
Alaska Ohio Wyoming .

In my opinion Nevada State has more protection. Delaware State insists you keep assets there for 4 years before they get protection. Delaware State has had the longest history of asset protection. THEIR LAWS ARE MORE STABLE BECAUSE THEY HAVE BEEN TESTED THE LONGESTT BY SUITS IN THE COURTS. One does not know how Nevada laws will stand up in court cases. They are new in comparison to Delaware . The other states are also new in comparison to Delaware.

If you do not have any one threatening you now- there exists no creditors that are .or will be suing you on your radar- it may be smart to use a Delaware trust. Since we are dealing with a an older more tested commodity.

You can also use asset protection in foreign countries such as the Cook Islands.

In that way you will not be an easy target. Before any attorney agrees to take a case on a contingency basis to sue, the attorney surveys the field. If you make trusts where there exist numerous and formidable obstacles , the attorney will leave you alone. He/she will rather sue an easier target.

Thus you will never be sued in the first place by virtue of creating the trusts. Never mind all the weaknesses that we have enumerated.

In the contingency that you will be sued the creditor will more readily settle on your terms rather than spend millions and time that he /she could devote to more productive goals.

For these reasons it pays to create a trust.

Getting back to the Nevada Trust.

The cost to create a NEVADA TRUST IS 2,500. the laws of Nevada change every two years . The trust may have to be redone and there will be an other fee. I do not know the amount.

YEARLY MAINTENANCE Nevada trustee to	
Nevada lawyer	2,500
Nevada LLC	1,250

The LLC MAY HAVE TO BE REDONE EVERY 2 YEARS OR AMENDED. I DO NOT KNOW THE COST.

I DO NOT KNOW THE COST OF CREATING A TRUST AND LLC IN THE OTHER STATES THAT I MENTIONED. They too must be redone every year or two.

[60] The cost of making a trust in the Cook Islands is

36,000

plus added costs every year at least 5,000 to 10,000

[61] The human cost in both Nevada and Cook Islands Trusts I ALREADY DESCRIBED ABOVE.[43] [44] [45] [46] [47]