

SURVIVING DEATH IN FRANCE AS A U.S. CITIZEN

ESTATE PLANNING IN A RAPIDLY CHANGING FRANCO-AMERICAN WORLD

I – RULE 1, 2 & 3 OF ESTATE PLANNING

Organize, Organize, Organize

Goals: Inventory, categorize, project, decide, communicate

Goals: Avoid conflict, Reduce Tax, Lessen Burden on Heirs, Planning for Incapacity (Health Care Proxies and Durable Powers of Attorney), Terminal Illness Issues: Living Wills

II- DEFINITIONS

- 1) What is an Estate?
 - a) U.S. - Worldwide Assets if a U.S. Person. b) France – Worldwide Assets if French Resident
- 2) Who Inherits?
 - U.S. – a) Intestate (no will, by law); b) Testate (with a will, by your direction); c) Limits (marital regimes, surviving spouses(SS))
 - France – a) Intestate; b) Testate; c) Limits (forced heirship, marital regimes, SS); d) Non resident owners of French property
- 3) What Needs to be done?
 - a. U.S. Settlement/Probate/Administration/Tax Reporting
 - b. French Succession, notaires, *Droits de mutation à titre gratuit*-Paying for your free transfers
 - c. Taxes: Who, When & How Much? Blood Poker

III - ESTATE & GIFT TAX IN U.S. – A Slice of the pie
What's in a lifetime? Skipping?

Estate & Gift Applicable Exclusion Amount	\$	5,430,000
Annual Gift Tax Exclusion		
-Per Donee	\$	14,000
-Split Gifts by Spouses	\$	28,000
Gifts to Non U.S. citizen Spouse	\$	147,000
Estates & Gifts to a U.S. Citizen from a Noncitizen*		-0-
Maximum Estate & Gift Tax Rate		40%

IV - INHERITANCE TAX IN FRANCE - Coagulation

Tax is applied by legal and natural relationship to the deceased and by head.

100% exemption between spouses and civil union partners.

If you are Non-Resident: the scope of the tax depends on whether or not the beneficiary is considered to have been resident for tax purposes in France at the time of death or on French real property.

Some Practical Suggestions for planning:

DO A WILL NOW!!!!

Some terms: Stepped-up Basis, joint tenancy, POD clauses, U.S. Wills, French wills, simultaneous death, debts, beneficiaries, charitable gifts and beneficiaries, trusts, Durable Powers of Attorney, Health Care Proxies, Executors, Trustees, Burial Instructions, Instructions to fiduciaries, Property Ownership: Pets, Usufruit, nue-propriété, mandats futurs, rights of domicile for SS, Community property, tangible property, intangibles: copyrights, artistic rights, digital property, powers of appointment, residuary estate, disinheritance, no contest clauses, minors: guardians of the person and property, life insurance, *assurance vie*,

QUESTIONS?

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International Tax, Trust, Wills & Estate Law – Planning & Administration – Executor & Administrative Services Real Estate Sales & Leases –
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Advising and assisting the Anglophone and American Community in France since the 20th Century