



Estate Planning: Planning

Susan Gonzalez
*Systemic Advocacy
Coordinator*

D C A R A

Agenda

- (1) Decide your estate plan
- (2) Gather your documents
- (3) Begin your inventory
- (4) Figure out expenses including debts
- (5) DIY or hire a lawyer
- (6) Review and reassess. Revise*

Your Plan

- (1) Decide what documents you want/need to do
 - (a) Last Will/Testament
 - (b) Living Will
 - (c) Power of Attorneys
 - (d) Guardianship
 - (e) Final Arrangements

Your Plan

(2) Trust

(3) Final Arrangements

Trusts

- Revocable Trusts
- Irrevocable Trust
- Marital Trust
- Asset Protection Trust
- Charitable Trust
- Constructive Trust
- Special Needs Trust
- Spendthrift Trust
- Tax By-Pass Trust
- Generation Skipping Trust
- Life Insurance Trust
- Testamentary Trust
- Totten Trust

Trust

Common objectives for trusts

- Reduce the estate tax liability,
- To protect property in your estate, and
- To avoid probate.
- Establish a fund for specific purposes
 - Take care of minors
 - Charity Giving

Trust or No Trust

Consider

a-Overall value of estate

b-Age of Testator

c-Marital status of Testator

Trust or No Trust

Benefits:

- 1-Avoid probate court
- 2-Save money
- 3-Preserve privacy and control over estate

Downsides:

- 1-Expensive process
- 2-Time consuming process
- 3-Still need a will



Documents

- Estate Planning Documents
- Life insurance policies
- Annuities
- Pension or retirement accounts
- Bank accounts
- Divorce records
- Birth and adoption certificates
- Real estate deeds
- Stocks, bonds and mutual funds

Inventory

- Art
- Jewelry
- Property
- Antiques/Vintage
- Sentimental Items
- everything else within your estate

Expenses

- Debts
- Funeral Expenses
- Estate and Inheritance Taxes
 - Estate tax is a tax on the transfer of property after death
 - Inheritance tax is a tax paid by the heirs
 - Not all states have either tax
 - Some have one or the other

DIY or Lawyer

- Estate plan takes time and energy.
 - Simple vs. Complicated Estate
- A well drafted estate plan will save money.
 - Know state laws and protection
- A well drafted estate plan will be valid.
 - Cover all of the bases
- A well drafted estate plan will support the family.
 - Eliminate bickering and challenge in court
 - Establish trust for specific needs



DIY or Lawyer

It is not legally required to hire a lawyer.

BUT

Your documents must be legally valid and comply with state laws.



Review. Reassess. Revise*.

- Check your documents annually.
 - Bought or sold property
 - Married or divorced recently
 - Children
 - Other major changes in your life
- Revocable vs. Irrevocable
- Revise* as necessary

Lessons Learned

- Terri Schiavo (1990-2005)
- Heath Ledger (Daughter)
- Pablo Picasso (Intestate)
- Philip Seymour Hoffman (Huge estate)
- Tom Clancy (Complicated estate)

Conclusion

- Do your estate planning now even if you're young and healthy.
- When there's a change in your family situation or even your mind update your plans accordingly.
- Provide guidance to your family about how you'd like them to use their inheritance.

COMMUNICATE!!!

- If your estate is high in value or complicated think about proactively working with a lawyer to avoid potential missteps while still achieving your goals.

