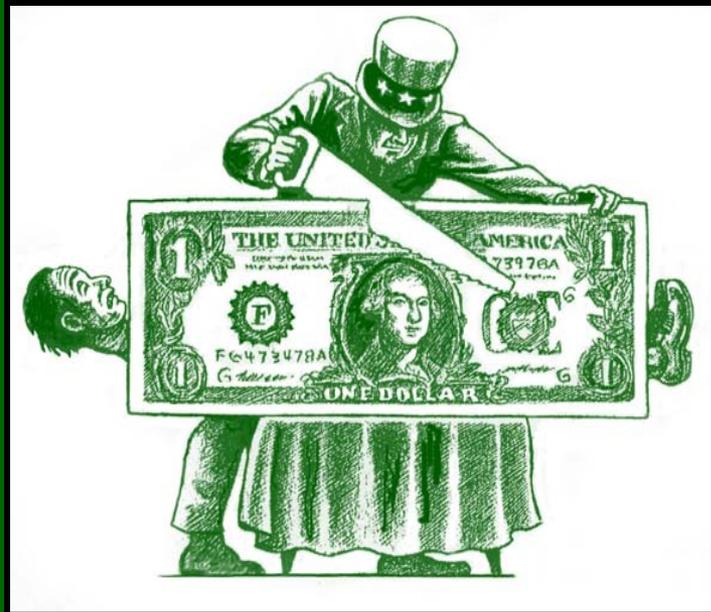


# Price & Farrington, PLLC

*Attorneys and Counselors at Law*

presents

## Protect Your Estate!



## The Nuts and Bolts of Estate Planning

# What is Estate Planning?

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## Here is what I want to accomplish:

- I want to be in control of my assets as long as I am able.
- If I become unable to manage my assets, I want to designate who will manage them for me, without court intervention, both during my life and following my death.
- I want things to be as easy and efficient for my family as possible.
- I want my estate to pass, during my life and following my death, to the people and organizations I choose, according to my instructions, with as much privacy and as little conflict as possible.
- I want to accomplish this with a minimum of delays, taxes, costs and fees.

**The Planning Pyramid**



**Leave a Legacy**

**Zero  
Taxes**

**Save Taxes**

**Enhance My Wealth**

**Preserve My Wealth**

**Take Care of My Family**

**Take Care of Myself**

# WHAT IS YOUR ESTATE?

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## All Tangible Assets

▣ House

▣ Real Estate

▣ Vehicle

▣ Jewelry

▣ Household and Personal possessions



# WHAT IS YOUR ESTATE?

## All Intangible Assets

- Bank accounts
- Annuities
- Stocks
- Bonds
- Mutual funds
- Limited partnership interests
- Life insurance death benefits
- Retirement plans



# INCAPACITY PLANNING

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## **Durable General Power of Attorney**

## **Durable Special Power of Attorney for Health Care**

**Extremely useful, but be aware:**

- \* Grants the agent extremely broad discretion without any instructions.**
- \* Must be accepted by individuals, companies, or institutions to be valid.**
- \* When executed in one state might not be accepted in another.**
- \* Its age raises questions as to its validity.**
- \* Acceptability is likely to decrease if too simple or too complex.**
- \* Its power is revoked if agent resigns, is disabled or dies.**
- \* Can be challenged and invalidated through a “living probate”.**

# **ESTATE DISTRIBUTION METHODS**

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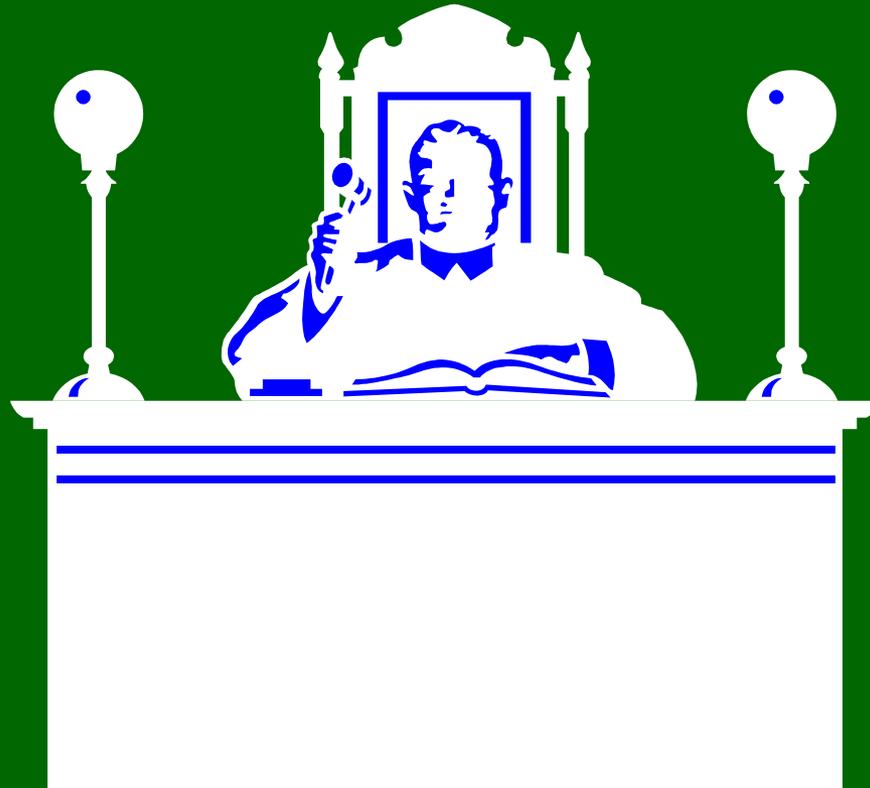
## **How does your estate pass?**

- 1. Intestacy: The “Do Nothing Plan”.**
- 2. Wills and Probate.**
- 3. Asset Titling**
  - Beneficiary Designations**
  - Joint Tenancy With Right of Survivorship**
  - Community Property Agreements**
- 4. Trust Planning**

# Probate

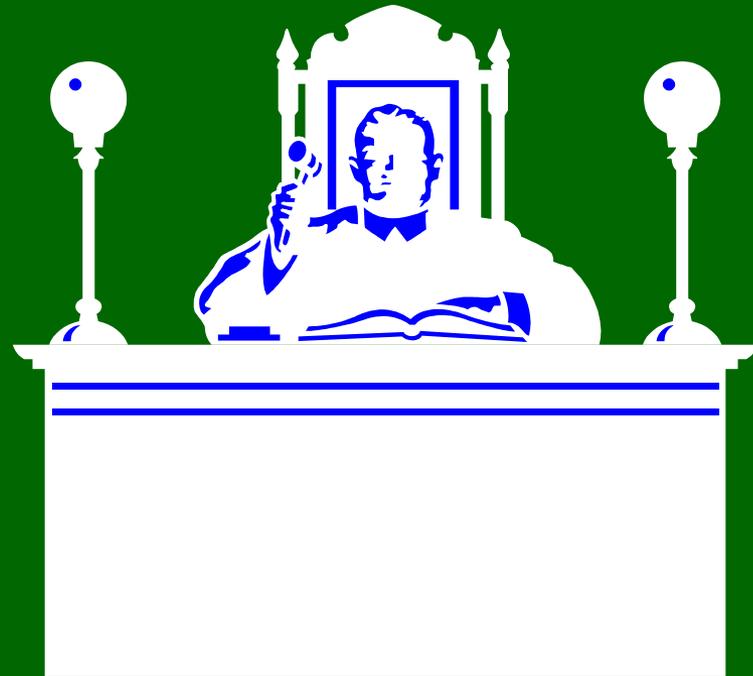
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Probate is the **court supervised process, controlled by state law, which transfers title to your assets to you heirs upon your death if you die intestate or with a will.**



# Probate (cont'd)

- ✓ Usually lasts at least nine months
- ✓ Costs are unpredictable
- ✓ A public process
- ✓ An ancillary probate is required in every state in which you own real property



# Asset Titling: “Operation of Law”

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**The pitfalls of improper titling: “What you don’t own, you can’t plan for.”**

## **A. Beneficiary Designations:**

- Annuities**
- Life Insurance proceeds**
- Pension plan distributions**
- IRA, 401(k), TIAA-CREF & other retirement plans**
- P.O.D. accounts**
- Naming your estate as beneficiary; the proceeds usually will be probated.**

# Trust Planning: What is a Trust?

## A relationship:

- Trustor(s)
- Trustee(s)
- Beneficiary(ies)

## Types:

- Inter Vivos
- Testamentary
- Revocable
- Irrevocable

## Purposes:

- Minor children
- Asset management
- Philanthropy
- Lifetime Benefits
- Federal estate tax planning
- Asset protection<sup>11</sup>



# Revocable Living Trust



- \* Alternative to a Will and Probate.**
- \* A legal entity that continues through death until your estate is distributed. You can amend or revoke it.**
- \* Contains instructions for management of your assets upon disability, without publicity, court involvement or excessive fees.**
- \* Contains distribution provisions that would normally be drafted into your will. Harder to challenge than a will.**
- \* Same control over your assets as before.**
- \* Must be “fully funded” in order to avoid multiple probates.**

# TOP 10 EXCUSES WHY PEOPLE DON'T PLAN THEIR ESTATES

1. “I just don’t see the *need* to do estate planning.”
2. “After I’m gone, *I don’t care*. Let ‘em fight it out.”
3. “I don’t plan on *dying* anytime soon.”
4. “I don’t want to *pay* for it.”
5. “I don’t want to spend the *time*.”
6. “I don’t want to talk about my *family*.”
7. “I don’t want to talk about my *money*.”
8. “I don’t even want to *talk* to my kids.”
9. “I don’t want to *ruin* my kids.”
10. “I don’t *trust* my kids.”

**People don't plan to fail.**

**They fail to plan.**

**Complimentary Consultation  
with an  
Estate Planning Attorney  
at**

**Price & Farrington**

*Attorneys and Counselors at Law*