

A peaceful garden scene featuring a wooden bench with a reddish-brown seat and backrest, positioned on a grassy bank next to a calm pond. The water reflects the surrounding greenery. In the foreground, there are lush green plants with pink and purple flowers. The background is filled with dense green foliage and trees.

CREATE PEACE OF MIND
FOR YOUR TOMORROW

What is Estate Planning?

- Passing left over property and assets from one generation to the next.
- It is also known as developing an estate preservation plan or family wealth planning.



*Proper planning keeps as much of your family's unused wealth together as possible, then allows you to pass those accumulated assets, **intact**, to who you desire*



“I’m Not Wealthy. Why Should I Worry About
Estate Planning?”

“Isn’t estate planning only for the Rich?”

Think again...

The Goals of Estate Planning:

Keep More of Your
Hard Earned Money



Protect Your Family



Control Your
Assets



Become a Good
Steward of Your
Property



And most importantly...

Provide the Peace of Mind that You and
Your Family Deserve



Why Does This Matter?

Do you want to control **who will get your savings?**

Do you know who will look after **your children?**

Do you have a **blended family?**

What about your **pet(s)?**



Why This Matters

What if you don't have
anything?

Who determines who gets
what?

Why This Matters

What if you don't have a will or trust?
Who determines who gets what?



Your
spouse?



Your
parents?



Your
attorney?



Your state?

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Your spouse?
Former spouse?



Your
parents?



The court?



Your
attorney?

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Did You Know?



70% of Americans Will
Procrastinate Until It's
Too Late!

A little over **half of Americans**
don't even have a will.



If You Don't Have A Will...Don't Worry,
The State Has One For You.

Let's look at some planning options
as they relate to keeping your
family's wealth **in the family**.

Remember:

proper planning is so much
more than avoiding taxes.

Passing the Remainder of Your Estate to Who you desire

Events to **AVOID**:

- Probate
- Having your estate open to the public
- Living Probate - losing control of your property
- Conservatorship proceedings
- Having no Will, or only having a Will
- Relying on Joint Tenancy
- Not appointing a Guardian for your minor or disabled children

Passing Your Estate to the Next Generation

There are also some taxes that can potentially impact your planning:

- Capital Gains Tax
- Federal Estate Tax
- State Inheritance Tax
- Gift Tax

What is Probate?

Probate is a court process that validates your Will, passes ownership of your property to your heirs, settles any debt you may owe, and clears title on your assets.



If you have a Will, you *WILL* go through probate.

*AARP Estimates...

- The next generation will lose more than Two Billion Dollars Annually to the Probate Process.
- Conservatively 8% to 10% of every estate will be consumed by Probate *unless* proper steps are taken.

*Report on Probate Consumer Perspectives and Concerns,
Copyright 1989, AARP

*AARP Estimates...

- In some cases, attorney's fees consume 20% or more of an estate's value for the attorney to take the estate through Probate. This is especially true of small estates.
- For estates of the Middle Class, attorney and personal representative fees can deplete assets by as much as 10%, even in uncomplicated cases.

*Report on Probate Consumer Perspectives and Concerns,
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Disadvantages of Probate

- **It takes a long time!** The average time in Probate Court is 12 - 18 months, and your assets are frozen during that time.
- It typically **consumes 4% - 10%** of the total gross estate (not the net).
- Probate records are **public records** - Anyone may find out about your private affairs.
- Instead of agreeably passing your assets, **it actually invites contest** in many cases and can potentially divide your family.

A GOOD Living Trust can avoid these problems

Your Will **Cannot help** You In Life

It can do nothing for you if you become incapacitated.

A Will is only effective after death.



Incapacity can lead to Living Probate.



What is Living Probate?

Living Probate occurs when you become incapacitated and can't make decisions for yourself.

You may be declared incompetent in court and anyone, **even a stranger**, can be appointed to take care of your property and person.





Remember...

Anyone at Anytime Can Apply, Through a Legal Proceeding, to
Handle the Financial and Personal Affairs of an
Incompetent Person

How Can You Guard Against Living Probate?

- Make a decision to set up the necessary forms while you are able to and competent.
- Establish Powers of Attorney and a Nomination of Conservator.
- A good Living Trust package will have these necessary documents AND...

YOU are Able to Decide Whom will Make Your Decisions if You Become Incompetent

4 Ways to Pass Your Estate to Loved Ones



1. Joint Tenancy
2. “Pay/Transfer on Death”
3. Last Will & Testament
4. Living Trust

Let's look at the effects of how Your assets are titled.

1. Joint Tenancy

Joint Tenancy is a common estate plan.

Many of you hold your assets jointly with someone else - your spouse or children.

However, Joint Tenancy has many perils, and more hidden dangers than any other type of planning - except do nothing.

Pitfalls of Joint Tenancy



Only delays Probate - does not avoid it.



Capital Gains Taxes are not avoided.



Unintentional Gift Taxes you don't even know about.



The property is subject to court judgment or creditors, so if your joint-owner is sued or divorces, you may lose your part as well.

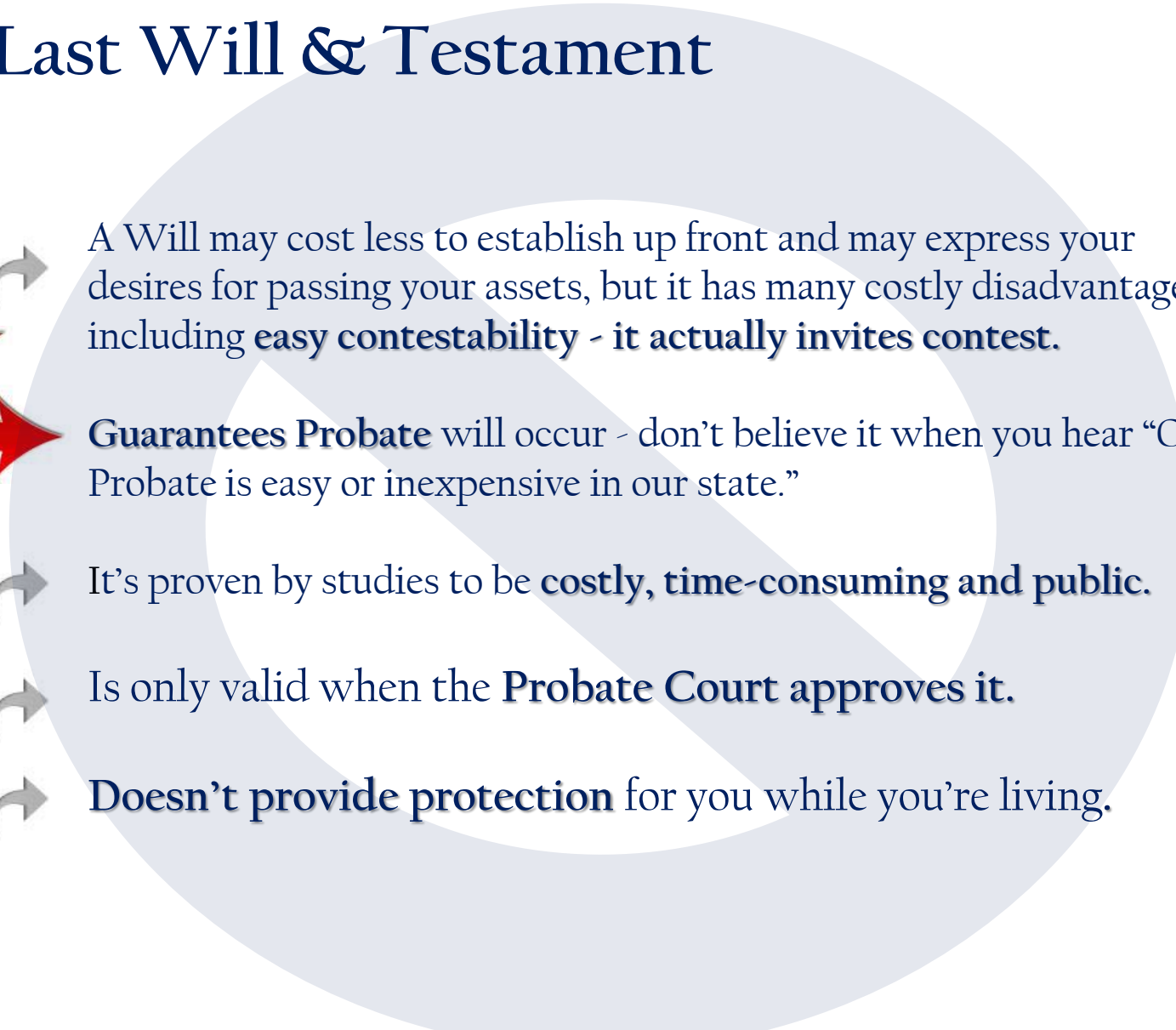


Control issues with co-owners - they can keep you from selling your property, and they can sell their part without your consent.

2. Pay on Death

- You may have assets that “Pay/Transfer on Death.”
- This may work if you only have few assets - usually bank and brokerage accounts, and only with one or two beneficiaries. If contested, it is forced to go through Probate.
- Most states don’t allow “pay on death” deeds if you own property.

3. Last Will & Testament



A Will may cost less to establish up front and may express your desires for passing your assets, but it has many costly disadvantages, including **easy contestability - it actually invites contest.**



Guarantees Probate will occur - don't believe it when you hear "Oh, Probate is easy or inexpensive in our state."

It's proven by studies to be **costly, time-consuming and public.**

Is only valid when the **Probate Court approves it.**

Doesn't provide protection for you while you're living.

4. A Good Living Trust

This is the only estate planning tool that addresses many of these concerns, and is an effective way to avoid many pitfalls of improper estate planning.

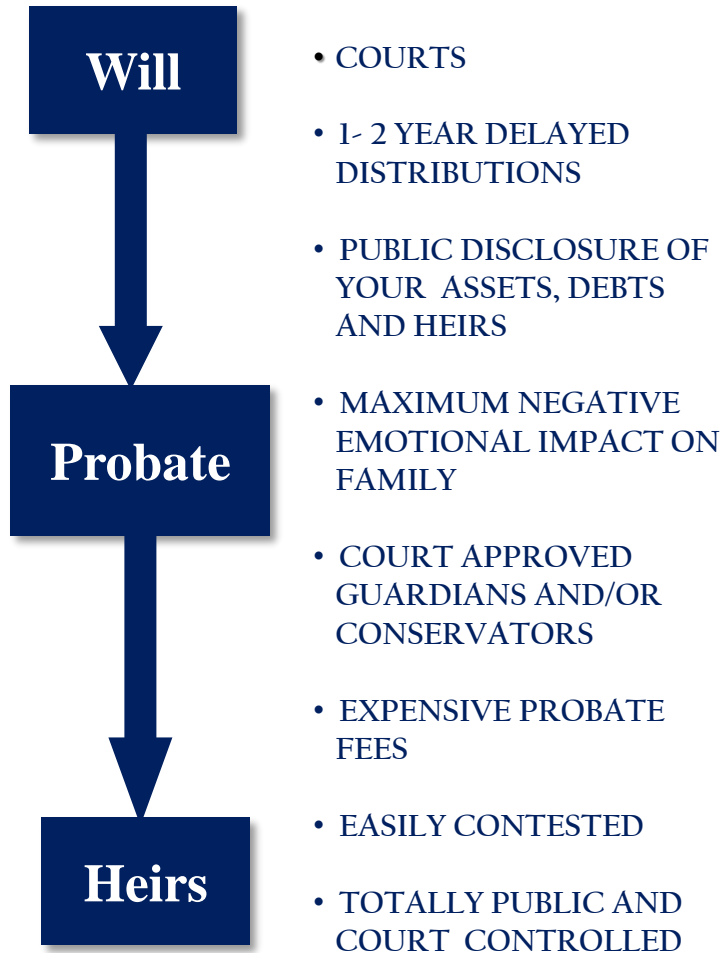
- Avoids Probate and Living Probate if properly funded and executed.
- Protects your privacy and preserves your assets.
- It's revocable, so you can change it any time while you're alive and competent.
- Protects your wishes and desires after you die.

A Good Living Trust

Continued

- Valuable for both small and large estates.
- Passes assets to your family quickly and efficiently without courts.
- Minimizes Federal and State Estate Taxes and Capital Gains Taxes.
- Allows *YOU* to appoint a guardian to raise your children.
- Provides for Special Needs children or grandchildren.
- Deals with contest of your wishes and spendthrift problems.

Will vs. Trust



**Not All
Living Trusts
&
Estate Plans
are Created Equal**

Choose Wisely

The Four P's of Estate Planning

- PROTECTION
- PROBATE
AVOIDANCE
- PRIVACY
- PEACE OF MIND

You owe it to yourself and your family
to consider a well-written
Revocable Living Trust.

