Estate Planning is not just about making a "will".

Estate Planning involves carefully considered decisions for...

- **your estate,**
- **your property,**
- **your future, and**
- **the future of your children.**

BEWARE OF WILLS:

For most people, a traditional Will is the standard method for transferring assets and completing final affairs. Wills create confidence, a sense that family members will be protected. Unfortunately, this is often not the case.

Surviving family members find themselves in legal and financial quagmire that could include any or all of the following problems...

Accounts impounded

Forced liquidation of assets

Appraisal of assets

Assets frozen

Court appointed Guardianship

Accelerated loans

Attorney's fees

Bonds may need to be posted

Costly litigation

Public disclosure

Third party management of assets

8 Basic Things to know about Estate Planning:

1. **Caring for yourself is a top priority**. A durable power of attorney allows you to appoint someone you trust to make legal and financial decisions for you when you cannot. *(A trust also allows you to have someone you trust to manage your properties and avoid the expense, publicity, and court intervention of conservatorship.)*

2. **Everyone has an estate and needs a plan.** An estate is what you own when you die "a home, bank accounts, investments, personal property. A will or living trust enables you to determine who will receive those assets.

3. There's a difference between a will and a living trust. A will does not take effect until you die; a living trust can hold assets for your benefit while you are alive.

4. **Trusts are not just for the wealthy**. A trust can be a good way to achieve your goals, even if you're not rich " including protecting assets from creditors, ex-spouses, and disgruntle heirs.

5. When one spouse dies, the unlimited marital deduction no longer applies, but there are still a number of tax-saving strategies surviving spouses can use to preserve assets.

6. To avoid or mitigate estate taxes, your life insurance policy should be owned by the beneficiary or by a trust. (Estate exemption in 2014 is $5.3 million.)

7. Fill out beneficiary forms and keep them updated. Retirement accounts are distributed to the beneficiary form, and that form trumps a will bequest.

8. Keep cash on hand. Cash is crucial to cover expenses should a spouse suddenly die.[1]

[1] Forbes.com

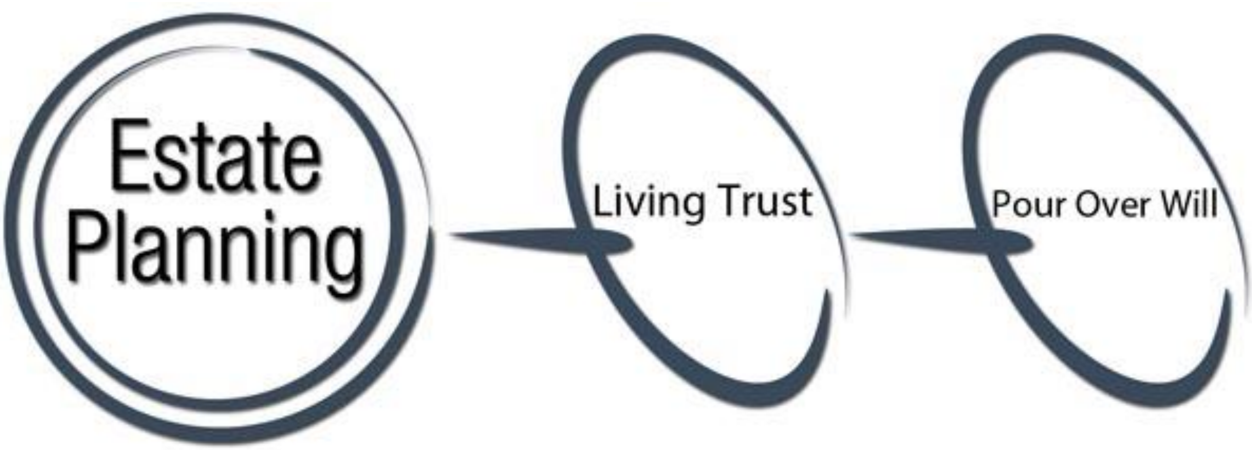
Don't settle for just a Will when you need an Estate Program!

The 5 Basic Estate Documents.

1. A **Pour-over Will** transfers property owned by you at your death to a trust.

There must be a previously existing trust to receive these assets. The Will "pours over" assets to the trust by use of the probate transfer process.

A Pour-Over Will should be used with a living trust to sweep up any assets that may not have been transferred to the trust during your lifetime.



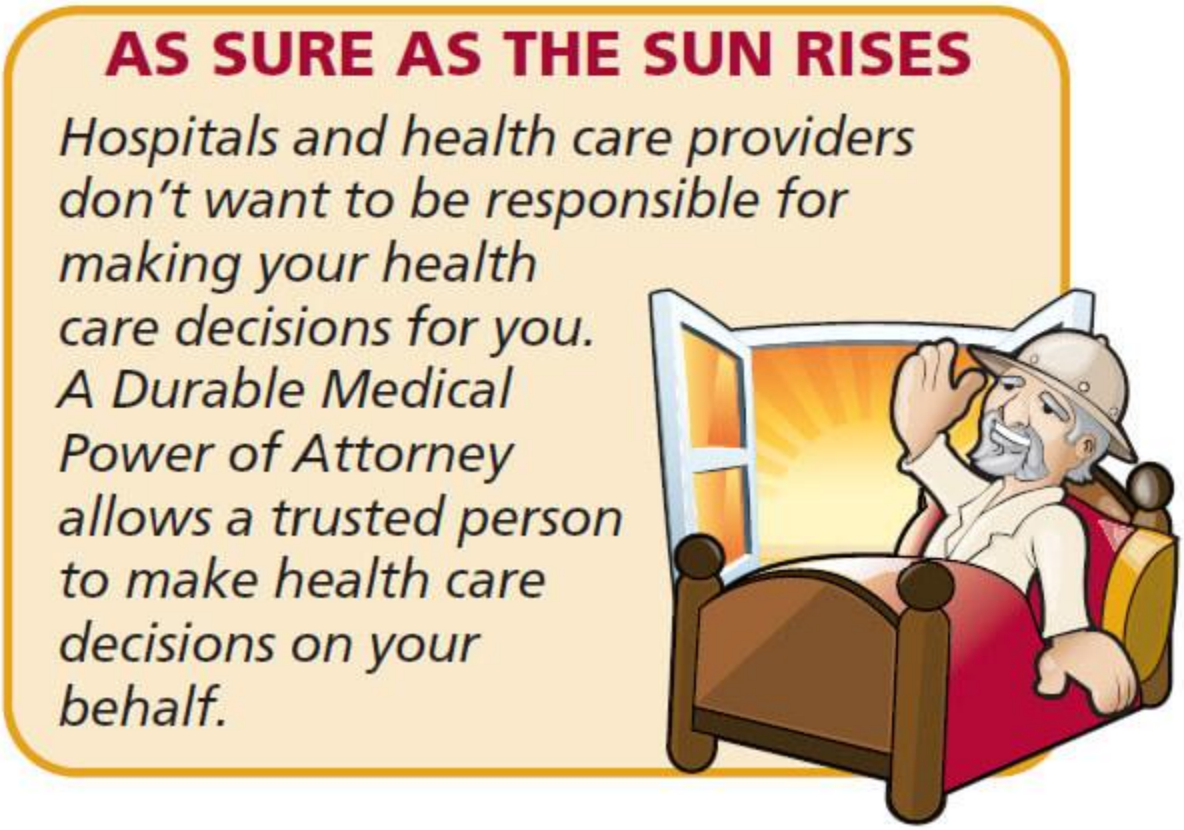
2. Durable Power of Attorney for Property - This authorizes a trusted agent (person of your choice) to handle certain financial affairs if you are incapacitated.

When you create and sign a durable power of attorney, you give another person, your agent, legal authority to act on your behalf. For example, if you become incapacitated your agent can do many things for you including...

- use your assets to pay your everyday expenses and those of your family
- mortgage real estate and other property
- collect Social Security, Medicare, or other government benefits
- invest your money
- handle transactions with banks and other financial institutions
- file and pay your taxes
- operate your small business
- transfer property to a trust you've already created
- hire someone to represent you in court
- manage your retirement accounts
- and more

Your agent is required to act in your best interests, maintain accurate records, keep your property separate from his or hers, and avoid conflicts of interest.

Advance Health Care Directives



3. Durable Power of Attorney for Health Care - This gives your agent the power to make medical decisions for you if you are incapacitated.

4. Living Will - Directs whether you want to receive life-prolonging medical care if you are incapacitated and in a terminal medical condition.

5. The Revocable Living Trust (RLT)

A trust is a legal entity similar in some ways to a corporation, in that it can buy or sell property as a separate "legal person" in the eyes of the law.

It is created by a gift from the Grantor's and can be added to at any time.

The assets in the trust are managed by parties called **Trustees**. The law clearly allows the Grantors to serve as Trustees, so you can name yourself as Trustee and thus have no management fees or loss of control of the assets.

The trust names **Beneficiaries.**

And the Trust names **Successor Trustees** in case the original Trustees become incapacitated or die.

It includes instructions to Successor Trustees how the trust assets should be managed and used to care for (or be distributed to) the beneficiaries.

With a "Fully <u>Funded</u> Living Trust" you can decide in advance and appoint the person who would manage your assets if you should become incapacitated.

Why Would You Want a Revocable Living Trust?

- Probate can be avoided on the assets held in the trust.
- A trust can be revocable, meaning that you can amend, alter or cancel it at any time.
- Property can be added or deleted from the trust at the complete discretion of the creators (trustors).
- It can reduce or eliminate estate taxes.
- It can make things easier for beneficiaries.
- It can provide for minor children or grandchildren.

- It can establish guardianship for minor children

- Through a trust you can select competent people or institutions to manage your properties during your life and upon your death. Avoid the expense, publicity, and court intervention of conservatorship.

- Under proper circumstances, trusts can afford a substantial measure of liability protection for the assets held therein.

- A revocable trust can save on federal estate taxes. If a couple has a so-called A-B living trust, with separate trusts for the husband and wife, they can pass up to $10,680 million tax-free to their children. Under this method, each trust can make the maximum utilization of the $5,450,000 in 2016 federal estate tax exemption. The surviving spouse can draw the trust income for life, and also have the right to invade the principal of the other trust, if there be a need. When the second spouse dies, both trusts go to the children.

- Irrevocable trusts can provide probate avoidance and income-tax advantages while also eliminating estate taxes.

- The trust is a personal and private document and is not available for public inspection.

- A living trust can go into effect immediately and is therefore unlike a testamentary trust set up in a will which only goes into effect following death.

- A living trust is not generally under the supervision of any court, whereas a testamentary trust, in some jurisdictions, may be under the continuing supervision of the probate court, thus requiring periodic accounting to the court. Such accountings may become public information may divulge personal and business details, facts and figures to competitors.

Let's get started.

Now that you have some understanding for having your estate in order, here are some questions you can start thinking about.

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1. Who do you want to raise your minor children (if applicable) if you should pass away?

2. Who do you want to manage your assets if you become sick or pass away?

3. Who will make any medical decisions for you if you are unable?

4. Who will receive your assets?

5. How will your heirs receive these assets? Will it be in one lump sum or spread out over several years? Or will they only get the income with the remaining going to someone else?

6. Who will receive your assets if your primary heirs predecease you? And how do you want those assets distributed?

7. Do you have any charitable goals in mind?

8. Do you have personal assets (jewelry, mementos, figurines,etc.) that you want particular persons to receive?

9. How important is estate planning to you?

10. Are you willing to give up some control to save thousands in taxes?

11. What is the relationship you have with your children?

12. What assets do you own? What are their fair market values? Do you own them jointly, and if so with whom? What did you pay for these assets? (Remember to include the value of life insurance and retirement plans.)

13. How old will your heirs be before they can have access to the money?

What Will Happen if You Don't Do Proper Estate Planning?

FEES: The biggest problem for most people are fees!

- Probate fees
- Attorney fees
- Court costs
- Administration fees
- Executor fees
- Trustee fees
- Funeral expenses

These fees are mostly going to attorneys, and can add up to a large part of your estate. Sadly most of this is just a waste of your hard-earned money.

TAXES: But only if your estate is more than $5,450,000 in 2016.

To get going click on our "**Will and Trust Data Input Form**" at www.finishrichnow.com.

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My clients will say that my view of financial planning is radically different for helping individuals and working with advisers. Unlike sales people pushing products designed as "financial planning", I have maintained my independence to best help clients with solutions that may or may not include products, but sharing options that work best for you. Using my experience and years of service to clients throughout the county, I believe mentoring is the path to success.

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