

# IDEAS TO HELP YOUR FAMILY

Here is a checklist to make sure your tax and estate plan are up to date for you, your parents, children, charities and loved ones. I hope this helps you do some critical thinking *before* there is a crisis.

## ARE YOUR HEALTH CARE DOCUMENTS UP TO DATE?

For you?

Children?

Parents?

Federal law changed in 2003 so any health care documents you signed before that date are not "HIPAA" compliant. What that means is that the hospital may not even talk with your spouse or family members about your medical care because the law prohibits it.

Find the HIPAA release form on our web site and complete one for each one of your named personal representative or agent. It allows for your health care agent to see and review your medical records.

More important is communicating with your agent as to your desires. For assistance as to what and how to communicate please go to HELP's web site ([www.help4srs.org](http://www.help4srs.org)) and receive two FREE booklets called "**YOUR WAY.**" *Your Way* is a plain-language guide created to help you stay in charge of the medical care you receive, even if you can't speak for yourself. The publication is made possible by a generous grant from The Ahmanson Foundation.

### Obtaining Copies of *Your Way*

You can obtain *Your Way* for free. Additional copies are available at a modest charge. To obtain *Your Way*, [click here](#).

Be sure to review who you have chosen as your personal representative to serve who will carry out your medical wishes. Our partners with **Professional Fiduciary Services** will serve as your personal representative in your **Advanced Health Care Directive (AHCD.)**

## IS YOUR LIVING TRUST UP TO DATE?

What is the date you drafted the trust? Is your successor trustee selection correct today? Have any of the beneficiaries died, divorced or moved away? Whom you benefit and how you benefitted them is still valid today? Is there a charitable organization you want to benefit as a demonstration of your values? Are your assets titled in the trust name? What is the value of your assets not titled in your trust?

Just because your trust is old it does not mean it is outdated but you should review it once every 3 to 5 years.

Trustees? Many times the people we name to be our successor trustees move away, die, turn out to be incompetent, or just don't have the capacity to care for us in the event we need them while we are alive and become incompetent or develop an incapacity.

Have we given our successor trustee the power to select a successor trustee?

***Remember the people we name as successor trustee in our living trust have the power of the checkbook to control our lives!***

## **Tax Issues?**

If you have over \$5 million as a single person or \$10 million for a married couple you can take a variety of steps to reduce or eliminate the estate tax. We encourage you to think of directing your tax dollars to your local community via charitable organizations and give your children and grandchildren the opportunity to have a great influence in the community.

### **HAVE YOU TAKEN STEPS TO REDUCE OR ELIMINATE THE ESTATE & GIFT TAX?**

- There are numerous legal or financial tools you can mitigate the estate tax. Even for the very elderly but you cannot wait until the last moment.

### **INCOME TAXES DUE ON DEATH?**

- Income Taxes on our IRA and other Retirement Plans will most likely for the majority of us exceed the so called death taxes. If you have a large amount in these accounts you may want to discuss with your beneficiaries the option for them to “STRETCH” your IRA over their lifetime. If they show no interest you may want to spend your IRA during yours!

You can set up special trusts to control when your children may take the funds out if they are likely to take it too soon and assist your children not to lose the money in a subsequent divorces or other litigation

### **ARE YOUR CHILDREN IN A HIGH RISK OCCUPATION?**

- You may want to consider an “Asset Protection Trust” for them versus providing them an outright inheritance.

### **HAVE YOU THOUGHT ABOUT USING CHARITABLE TRUSTS (CRT) OR A CHARITABLE GIFT ANNUITY (CGA) TO BENEFIT YOUR CHILDREN OR A LOVED ONE?**

- You may give gifts of annual income through your IRA or Living Trust to your beneficiaries. Or if you have highly appreciated asset such as an apartment building or stock or business be sure to review the benefits of a CRT or CGA while you are alive.

### **NEED YOU NEED BUSINESS PLANNING? DO YOU OWN YOUR OWN COMPANY?**

- We have professionals in the community who can step in as your companies CEO and determine quickly how best to proceed.

## Durable Power of Attorney for Assets (DPA)?

This document gives someone you name the authority to deal with assets that are in your name such as your IRA or other retirement assets and to deal with them while you are alive. The IRS requires a DPA even if you are speaking on behalf of your spouse!

Unlike other estate planning documents these documents do become stale in the same meaning as stale bread. You will want to update this document every 5 years or at least update a DPA form with your financial institution using their form.

## A FORMAL WILL OR “POUR OVER” WILL

This document is only valid upon your death and gives your personal administrator or executor the power to distribute your estate for assets titled in your name. You don't want assets listed in your name because this means if the asset is over \$150,000 in value it will have to go through probate in CA.

The “pour over” provision refers to a clause in most wills transferring the asset to your Living Trust and having the distribution instructions in the Living Trust control the assets.

## ESTATE ADMINISTRATION

- ARE YOU NAMED AS THE EXECUTOR OF AN ESTATE OR THE SUCCESSOR TRUSTEE OF A TRUST?

Your options for assistance consist of any Estate Planning Law Office wherein the attorney or paralegal will guide the family member through the process. **This will not relieve the trustee of responsibility or liability or communicating with heirs.** You can also use the assistance of a trust company or licensed private fiduciaries.

- **As licensed private bondable professional fiduciaries** we help families each year deal with the process of managing a deceased person's estate and trust.
  1. File the estate tax return
  2. Deal with the IRS
  3. Deal with the appraisers
  4. Work with the family
  5. Administer the trust and the estate
  6. Make sure you do it right so “They” will not come after you - we carry the liability and the responsibility!

## AWARD WINNING “IT’S YOUR ESTATE” and “IT’S YOUR MONEY” COMPLIMENTARY 8 WEEK WORKSHOPS

If you have questions about any of these topics or some related ones, we encourage you to attend our charitable sponsored *complimentary* workshops where we will discuss these issues.