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It's Your Estate Workshop — Spring 2010
Estate Planning Basics

- I. What is an Estate?
 - A. Your Assets, Property, Possessions—Everything You Own
 - B. Importance of Being Organized

- II. Why Do You Need an Estate Plan?
 - A. Incapacity
 - 1) Appoint Another to Make Financial Decisions and Avoid Conservatorship
 - 2) Appoint Another to Make Health Care Decisions
 - B. Death
 - 1) Control Who Receives Assets and When
 - 2) Minimize Taxes and Legal Fees

- III. What is Probate?
 - A. Legal Process for the Administration of an Estate
 - B. All Debts and Taxes Paid
 - C. All Assets Distributed
 - D. Proceedings are Public
 - E. \$100,000 Threshold in California

- IV. Advantages and Disadvantages of Probate:
 - A. Court Supervision and Short Statute of Limitations for Creditors
 - B. High Fees, Length of Time, and Process is Public

V. Common Types of Estate Plans:

A. No Action Taken

- 1) Does Not Avoid Probate
- 2) Lack of Control of Who Receives Assets
- 3) Lack of Control of How Assets Are Distributed

B. Joint Ownership

- 1) Postpones Probate—Doesn't Avoid Probate
- 2) Potential Exposure for Lawsuits
- 2) Potential Gift Tax Problems
- 3) Potential Capital Gains Tax Problems
- 4) Potential Disinheritance of Heirs

C. Give Assets Away During Lifetime

- 1) Loss of Control
- 2) Potential Capital Gains Tax Problems

D. Beneficiary Designation

- 1) Avoids Probate
- 2) Lack of Control of How Assets Are Distributed

E. Payable on Death Accounts

- 1) Avoids Probate
- 2) Lack of Control of How Assets Are Distributed

F. Last Will and Testament

- 1) Different Types (Holographic, Statutory, Formal, and Pour-Over)
- 2) Controls Who Receives Assets
- 3) May Control How Assets Are Distributed
- 4) Does Not Avoid Probate

G. Living Trust

- 1) Common Method Used to Avoid Probate
- 2) Assets MUST Be Transferred to Living Trust During Lifetime
- 3) Controls Who Receives Assets
- 4) Controls How Assets Are Distributed
- 5) May Reduce Estate Taxes

VI. What are Gift and Estate Taxes?

A. Current Law

B. Potential for Change?