



KAISER LAW GROUP

Estate & Legacy Planning

Purposeful Estate Planning for the (Multi) Millionaire Next Door®

It's Your Estate: Intro

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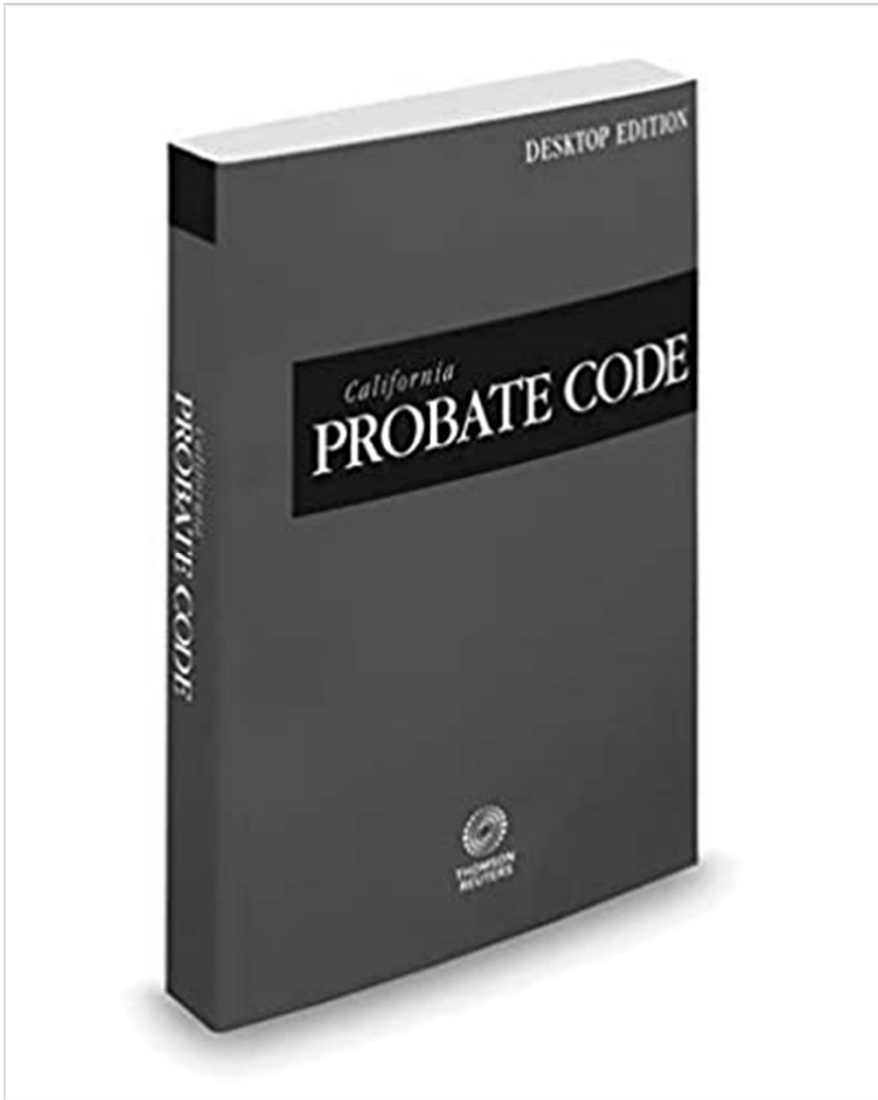




Purposeful Estate Planning for the (Multi) Millionaire Next Door®



Purposeful Estate Planning for the (Multi) Millionaire Next Door®



- **Paperback** : 1364 pages

- **Item Weight** : 3.37 pounds

This is your default estate planner.

An overview of your default plan.

Can't make
medical
decisions?

The court
appoints a
conservator
of the
person for
you
(lifetime
probate)

Can't
manage
your
finances?

The court
appoints a
conservator
of the
estate for
you
(lifetime
probate)

Can't raise
your minor
kids?

The court
appoints a
conservator
of the
person and
estate for
them.

No
direction
about
distribution
of assets?

Probate
and
intestate
succession
rules apply.

Is probate really that bad?

- Court proceeding
 - 18 + months
 - Expensive
 - Public
 - Open forum
 - Requires court approval for many actions
- Intestate succession
 - Community property goes to surviving spouse
 - Separate property gets split between spouse and kids
- Statutory alternatives
 - \$184,500 threshold for small estate affidavit
 - Spousal property petition
 - Heggstad petition

Think expensive.

Probate Estate	Statutory Attorney's Fees	Statutory Executor's Fees	Total Fees
\$500,000	\$13,000	\$13,000	\$26,000
\$1 million	\$23,000	\$23,000	\$46,000
\$2 million	\$33,000	\$33,000	\$66,000
\$5 million	\$63,000	\$63,000	\$126,000

Some work isn't covered by statutory fees.

Estate charged on gross value (no deduction for debt/mortgages)

Court costs, appraisal fees, etc. cost extra

Is there anything good about probate?

- Creditors
 - Short time to come forward
 - Forever barred if they don't come forward in time
- Aid to Personal Representative
 - Process covers nearly everything
 - Court provides supervision/indirect guidance
 - Court approves everything – that is, no liability for PR
- Reminds PR of fiduciary duties to beneficiaries
 - Communicate, communicate, communicate

Avoid the court system every way you can.

Can't make
medical
decisions?

Have a
current
advance
health care
directive;
nominate
your own
conservator

Can't
manage
your
finances?

Have a
current
durable
power of
attorney;
nominate
your own
conservator

Can't raise
your minor
kids?

Nominate
guardians
and revisit
this issue
regularly

No
direction
about
distribution
of assets?

Use
probate
alternative
or execute a
will or
revocable
trust

Understand the preference for family.

- Statutory order of priority
 - Spouse
 - Adult children (jointly unless they can agree)
 - Parents
 - Siblings
 - Adult nieces & nephews
- If you want someone else involved, express your preference with details and do it in several documents

Probate alternatives to consider.

- Pay-on-death (transfer-on-death) provisions
- Beneficiary designations
- Rights of survivorship – e.g., joint tenancy & CPWROS
- These can be quick and easy transfers after death, but:
 - Lack of control over how assets are used
 - Loss of potential creditor protection

Execute a will.

- Types of wills
 - Holographic wills
 - Statutory wills
 - Formal wills
 - Pour-over wills
- Primary advantage is giving instructions about how the assets are to be used
- Does not avoid probate

How to avoid probate.

- Your probate estate includes
 - Assets in your individual name
 - That are not governed by a probate alternative
- The goal = no probate estate
- Common method in California is using a revocable trust to hold title to
 - real estate
 - personal property
 - investment assets and
 - essentially all other financial assets other than retirement accounts

Key to avoiding probate.

- Review the terms of your trust, especially the fiduciary roles, regularly
- Review your personal financial statement *regularly* and confirm asset ownership and beneficiary designations
- Find an attorney who will do these things with you; in fact, will require these things of you

TRADITIONAL ESTATE PLANNING

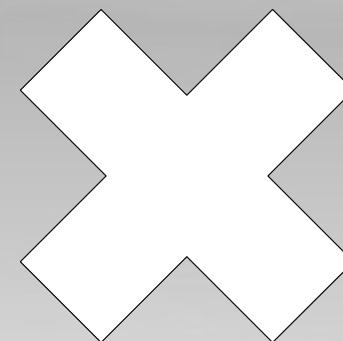


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UNFUNDED TRUST



Purposeful Estate Planning for the (Multi) Millionaire Next Door®

FUNDED TRUST



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A look at the current transfer tax rules.



Federal unified exemption: \$13,610,000
No California estate tax

Annual gift exemption: \$18,000
Lifetime gift exemption: \$13,610,000

Inherited assets: step-up in basis
Gifted assets: carry over basis

Law change in 2026; planning opportunities for high-net worth families



Federal unified exemption: ~\$7M

Keep an eye out for A-B Trusts

If your trust says something like this...

“At the passing of the deceased spouse, the surviving spouse shall divide the deceased spouse’s estate into two shares...”

The word “shall” is what we are looking out for. We don’t want that except for: (1) very high net worth families and/or (2) blended families



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