



BEFORE DEATH OCCURS: BE PREPARED BY PLANNING WELL



DISCLAIMER



Wall Street Journal – October 21, 2024

I'M Way Too Young for Estate Planning. Or Am I?

I thought planning for death or injury was something I wouldn't have to worry about for years. The truth is that anybody over 18 should consider it.

*By: Julia Carpenter. A 30-something
References mother's "Big Blue Book."*









“A 2024 survey of U.S. adults by Caring.com, the senior community platform, found that just 24% of respondents ages 18-34 said they had a will.”

Why Americans haven't engaged in estate planning:

43% - procrastination

40% - Not enough assets

16% - Too expensive

9% - No one to leave assets to

8% - Takes too long / too complicated

5% - Inflation / economic reasons



Percentage of Americans Who Have a Will by Age Group



Before Death Occurs

Is it Biblical
Stewardship
Planning Well
Documents
Processes
Other



Is it Biblical?

Job 42:15

And in all the land there were no women so beautiful as Job's daughters. And their father gave them an inheritance among their brothers.

Proverbs 13:22a

A good man leaves an inheritance to his children's children.....



Is it Biblical?

Proverbs 19:14a

House and wealth are inherited from fathers...

Lamentations 5:2

Our inheritance has been turned over to strangers, our homes to foreigners.

Luke 15 (Prodigal son)



Stewardship

2 Corinthians 8:7

But as you excel in everything – in faith, in speech, in knowledge, in all earnestness, and in our love for you – see that you excel in this act also.



Planning Well

Why do we plan:

1. Maximize (grow in the grace of) giving
2. Give Glory to God
3. Orderly process for winding up our affairs
4. Prevent family relationship problems
5. Minimize costs
6. Minimize estate taxes



Minimize Estate Taxes

Current Estate Tax exclusion – 2025

Single \$13,990,000

Married \$27,980,000

Gift taxes



Planning Well

Orderly process for winding up our affairs

1. Identify all assets
2. Identify all liabilities
3. Distribute net assets to beneficiaries



Planning Well

Identification of all assets:

- Cash
 - Checking
 - Savings
 - Brokerage
 - In the mattress
 - In the fridge
 - In the garage



Planning Well

Identification of all assets:

- Investments
 - Brokerage account(s)
 - Partnerships
 - Stocks held outside brokerage accounts
 - Currencies (gold, silver.....)
 - Working interests in Oil and Gas



Planning Well

Identification of all assets:

- Digital Currencies (numbers)
 - Bitcoin or others
- Life Insurance
 - Term Life
 - Whole Life – Cash Surrender Value
- Real Property
 - Primary residence
 - Second home
 - Timeshare



Planning Well

Identification of all assets:

- Personal Property
 - Everything else - other than real property
 - You know these better than anyone else
 - Safety Deposit Boxes
 - Cars / trucks / RV's
 - Jewelry
 - Paintings
 - Musical instruments (piano)



Planning Well

Identification of all assets:

- Loans (receivables)
 - Children
 - Other relatives
 - Coworkers
 - Neighbors
 - Friends



Planning Well

Identification of all assets:

- Intellectual Property
 - Patents
 - Trademarks
 - Copyrights
 - Trade secrets
 - Logos
 - Images
 - Books
 - Industrial designs



Planning Well

Identification of all assets:

- Retirement Plans
 - 401K / 403B
 - IRA's / Tax Deferred and Roth
 - Pension Plans
 - Annuities



Planning Well

Identification of all liabilities:

- Unpaid bills
- Credit card debt
- Mortgage(s)
- Promissory notes
- Car payments
- Student loans
- Loan guarantees



Documents

If you don't have these or they are unclear, someone will step in and wrap up your affairs

- Intestate Succession – not what you think
- The courts will make all the decisions for you
- Personal representatives
- People that may not have ever known you
- People that do not share your values



Documents

Written documents you should consider

Montana Supreme Court ruling:

Estate of Jesse L. Beck DA 24-0033, October 29, 2024

- Jesse dies with no will or trust document
- Only child petitions court to be the personal representative



- Jesse's brother Jason submits a video from Jesse's cell phone recorded 4 days before his death:
"I, Jesse Beck, give all my possessions, if anything happens to me whatsoever, I give all my possessions, everything, to Jason Beck, my brother. Christina Fontineau does not get one thing, not one thing."
- Court rules against Jason.
- CA has the same rules.



Documents

Written documents you should consider

1. Last Will and Testament*
2. Revocable Living Trusts*
3. Advance Healthcare Directives*
4. Powers of Attorney*

* Standard documents



Documents

5. Proof of identity documents
6. Title and Property Deeds
7. Digital Logins and Passwords
8. Personal property directions
9. Income tax returns
10. Letter of instructions
11. Funeral Arrangements



LAST WILL AND TESTAMENT

_____, residing _____,
certainty of death, do hereby

_____, being of sound mind and
this instrument to be my last will

previous wills and codicils

CALIFORNIA LAST WILL AND TESTAMENT
OF

I. THE TESTATOR.

I, _____, resident in the city of _____,
county of _____, state of California (“Testator”), being of sound
mind, not acting under duress or undue influence, and fully understanding
the nature and extent of all my property and disposition thereof, do hereby
make, publish, and declare this document to be my Last Will and Testament,
and hereby revoke any and all other wills and codicils heretofore made by
me.

Define Terms Last Will and Testament

- Testator
- Executor
- Devise and bequeath real and personal property
- Beneficiaries
- Guardians
- Successors
- Witness (2)
- Probate



Documents

Last Will and Testament

- Name an executor
- Identify children
- Name guardians for your children and pets
- Identify beneficiaries
- Identify real and personal property and which beneficiary receives what
- Legal stuff



Documents

Last Will and Testament

- California provisions:
 - Wills must go through probate
 - Estates under \$184,500 – No probate*
 - Estates of \$184,500 or higher – Probate
 - California statutory fees
 - Legal costs
 - Time – long and complicated



*Authorized signer

Revocable Living Trust

- Grantors / Settlor
- Children
- Trustee
- Successors
- Beneficiaries
- Powers of Trustees
- Trustee Compensation
- Notary
- Probate



Documents

Revocable Living Trusts

1. Revocable Living Trusts do not go through Probate
2. More comprehensive than a will
3. Grantors, Trustees, Beneficiaries
4. Vesting of Assets
5. Directions for distribution of Net Assets
6. Fiduciary responsibilities
7. Must be in writing



Documents - Revocable Living Trusts

8. Guardian designations

9. Notary is required

10. Allows for Tax Planning

- Estate tax exclusion - \$13,990,000
- Can go to \$27,980,000
- Gift tax implications



Documents - Revocable Living Trusts

11. Amendments are easy
12. Last Will and Testament
13. Details of your estate remain private
14. Becomes irrevocable upon the death of the first to die.
15. The Trustee should be paid



Beneficiary Designations

- Bank / Brokerage Accounts
- Life Insurance
 - Personal
 - Employer
- Retirement Plans



Advance Healthcare Directives

1. Who gives medical direction if you can't
 - Doctors
 - Hospitals
 - Pharmacies
2. DNR's
3. Hospital forms
4. Hospice Care
5. Adults only (over 18)



Documents

Powers of Attorney

1. General
 - Act in your place on all matters
2. Specific
 - Act in your place restricted to certain matters
3. Attorney



Letter of Instructions

- Low value items
- Not legally binding
- Heirlooms
- Keepsakes
- Artwork
- China / silver
- Sports equipment
- Ice machines
- User ID's
- Passwords
- Junk
- Furniture
- Electronics
- Tools
- Sewing Machine
- Quilts



Other Observations

1. Life Insurance

Fixed Premium Term Life Insurance

Age	250,000	500,000	1,000,000
25	19.25	32.35	46.82
30	19.91	33.09	52.94
35	21.00	34.56	60.82
40	26.25	45.06	80.06



Other Observations

1. Life insurance – how much
2. Disability Insurance – work, personal, short term
SDI benefits
3. Blended Families
 - Prenuptial agreements
 - Assets follow the person
4. Consider whole dollar amounts and not percentages



Other Observations

5. Let people know where the documents are physically located
6. Discuss the documents with your beneficiaries
7. Give copies of the documents to the beneficiaries
8. Discuss the composition of your estate with your beneficiaries
9. Get your assets appraised at the first death.
10. Cell phone passwords



Other Observations

Freewill.com (and others)

- Wills
- Trusts
- Advance health directives
- Durable Financial Power of Attorney
- Revocable Living Trusts (CA)



Other Observations

Legalzoom.com

Paralegals

Lawyers



Wall Street Journal – November 18, 2024

*5 Things do to now to make
Your Estate Simpler for Heirs*

It's easy to put off doing many of these tasks. But get them done, and your heirs will be thankful you did.

By: Cheryl Winokur Munk



Rick's 6 things to do:

1. Get a will in place
2. Have a Revocable Living Trust
3. Get your Advance Healthcare completed
4. Write out your "instruction letter"
5. Make sure your "Blue Box" is comprehensive and complete
6. Be generous with your God





BEFORE DEATH OCCURS: BE PREPARED BY PLANNING WELL

