



Estate Planning

Session 2

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maximizing stewardship

Helping Elderly Parents

- ❧ Monthly Expense sheet
- ❧ Document Organizer handout
- ❧ List of Passwords and Institutions.



Your Parent's Budget

- What are their income sources?
- What are their expenses?
- Don't forget expenses that don't happen every month, like the neighborhood association or annual dues or insurance paid other than monthly.

Your Parent's Contacts

- Important Phone numbers: Doctors and Dentists
- Financial Advisors, Estate Attorney & CPA
- Their closest friends

Financial Institutions

- Obtain legal advice from an attorney, Board Certified in **Probate and Estate Planning**.
- Ask how accounts should be registered?
- Who will watch to ensure a family member or friend doesn't steal from an account?

Passwords and Accounts

- Do you have access if they want you to?
- Where is the list of passwords?
- Is there someone they do not want to have access?

Medicare Selections

- Choosing the best Medicare plan for your parents.
- When can the plan be changed to a different plan?
- What Supplemental Policies are best?
- [Medicare.gov](https://www.medicare.gov)
- [ConsumerReports.org](https://www.ConsumerReports.org)

How can someone designate another person to act as their legal agent?



- ◆ Power of Attorney, broad or limited
- ◆ Medical Power of Attorney for healthcare
- ◆ Medical Directive to Physician, or living will for quality of life and free from pain.
- ◆ DNR - “do not resuscitate”

Legal Documents

- In the first session, we talked about Wills.
- What is a Trust?

Three basic options to choose from:

No Will

Having a Will

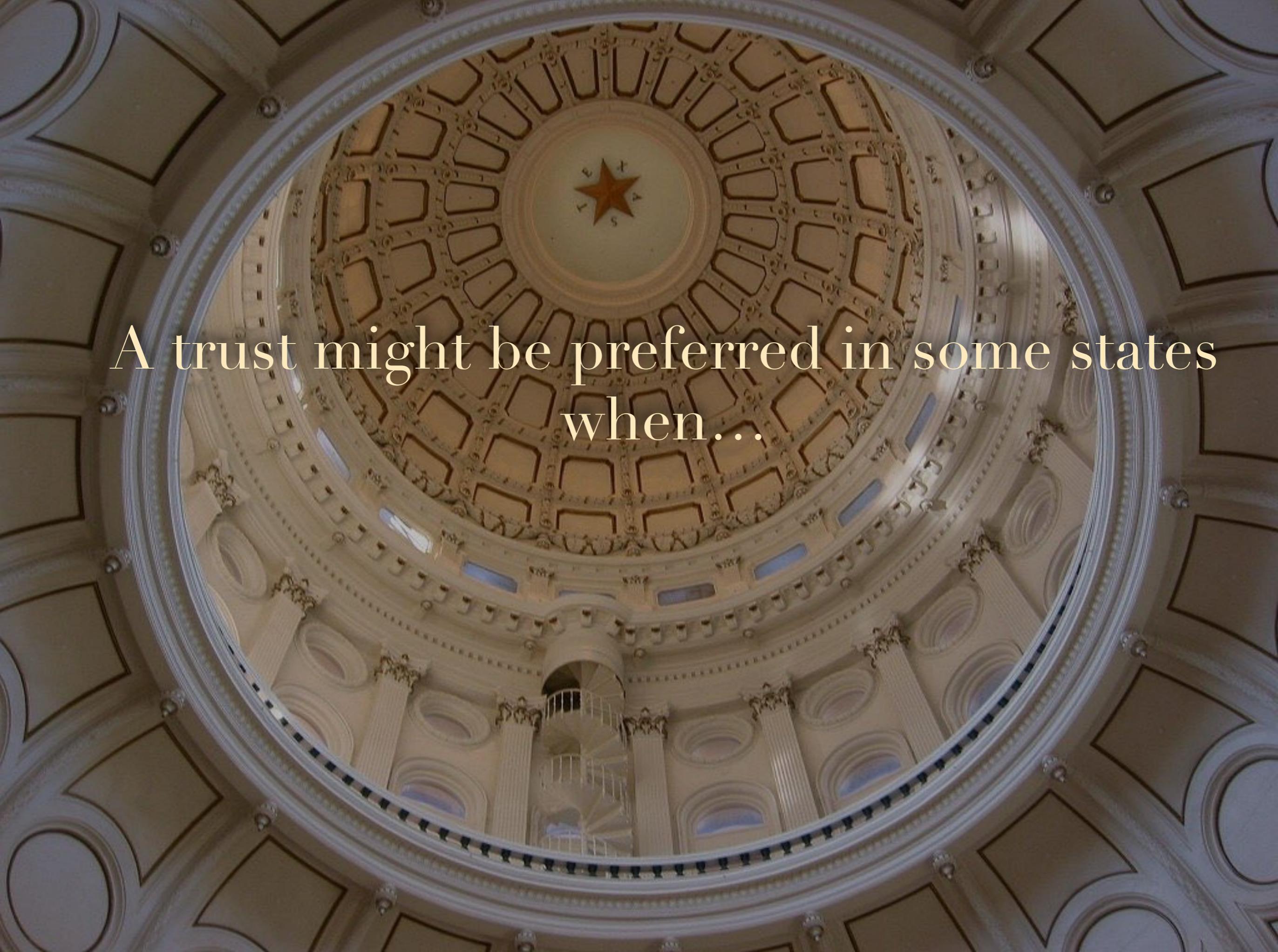
A Will & a Trust



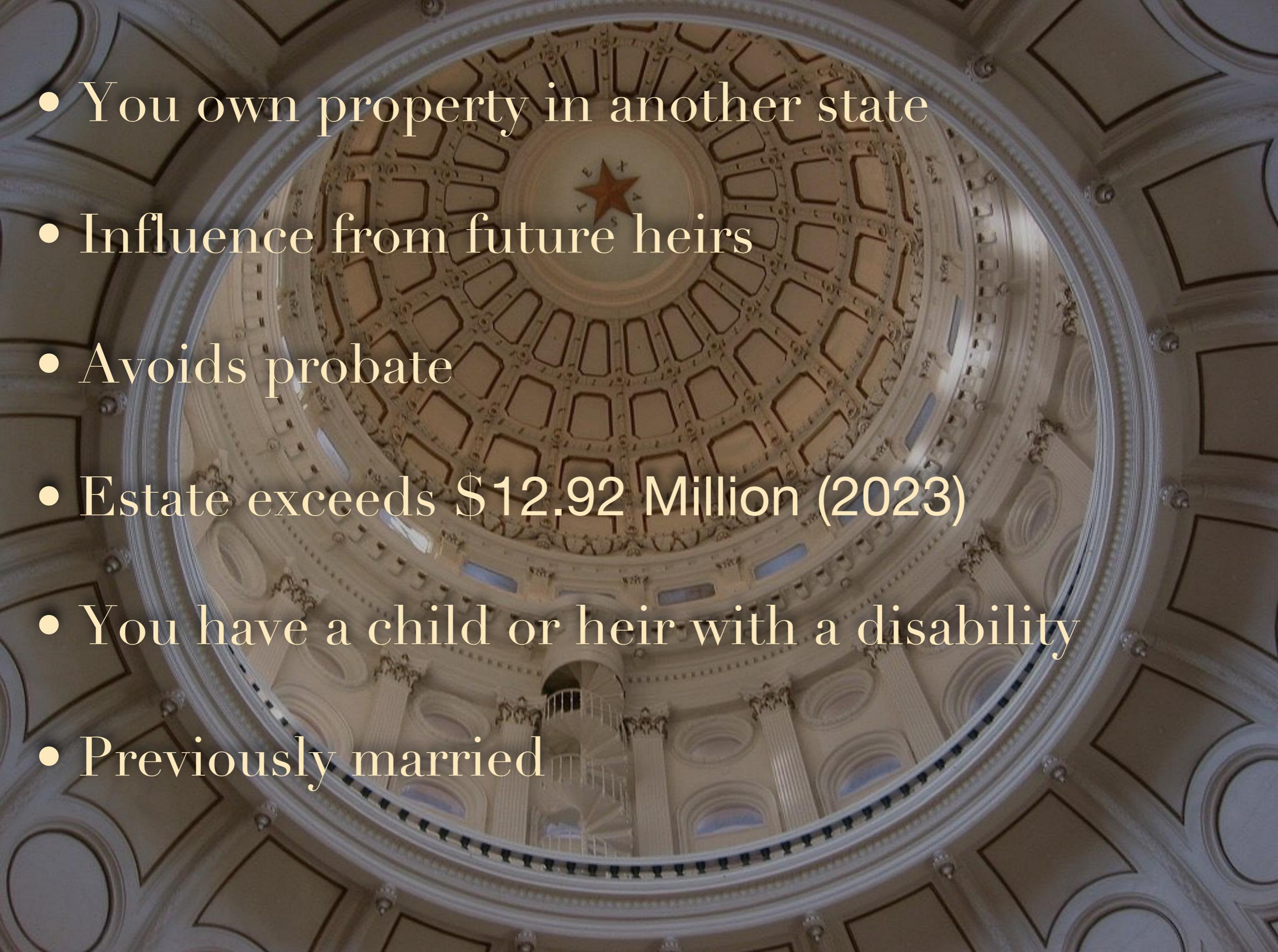
Components of a Trust

- The one who creates it
- What is held in a trust?
- Who manages it?
- The purpose:
for the beneficiary





*A trust might be preferred in some states
when...*

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- The background of the slide is a photograph of the interior of the Texas State Capitol dome. The dome is a large, circular structure with a complex, repeating geometric pattern of recessed panels. In the center of the dome, there is a prominent five-pointed star. The lighting is soft and even, highlighting the architectural details of the dome's interior.
- You own property in another state
 - Influence from future heirs
 - Avoids probate
 - Estate exceeds \$12.92 Million (2023)
 - You have a child or heir with a disability
 - Previously married

Trust Ownership

The title to property must be transferred into a trust for it to take effect.

Trusts and Creditors

Creditors can win lawsuits against you and your trust. It is considered part of your estate when you die.



Notes about Living Trusts

- **A trust can be contested**
- **May cost money to manage**
- **Does not protect against creditors**
- **Does not escape federal estate tax thresholds**
- **Could be included in Medicare thresholds**

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- A person in a dark suit is shown from the chest down, holding a black pen over a white document. The image is split horizontally, with the top half showing the person's hands and the bottom half showing a reflection of the same scene. The background is a light, neutral color.
- a. Avoids probate**
 - b. Less expensive to administer**
 - c. May have fewer delays**
 - d. Privacy – no public record**
 - e. Flexibility**
 - f. May avoid problems of Joint Tenancy**
 - g. Guardianship can be nominated**
 - h. Can help in the event of incapacitation**
 - i. Distribution timing up to trustee**
 - j. Helpful with larger estate planning**

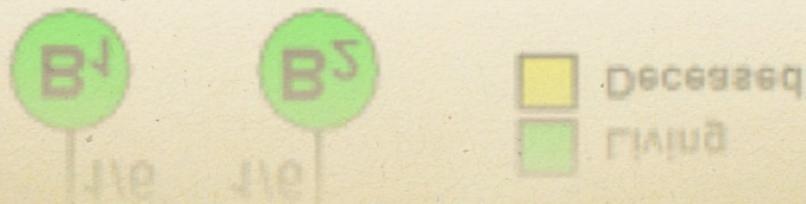
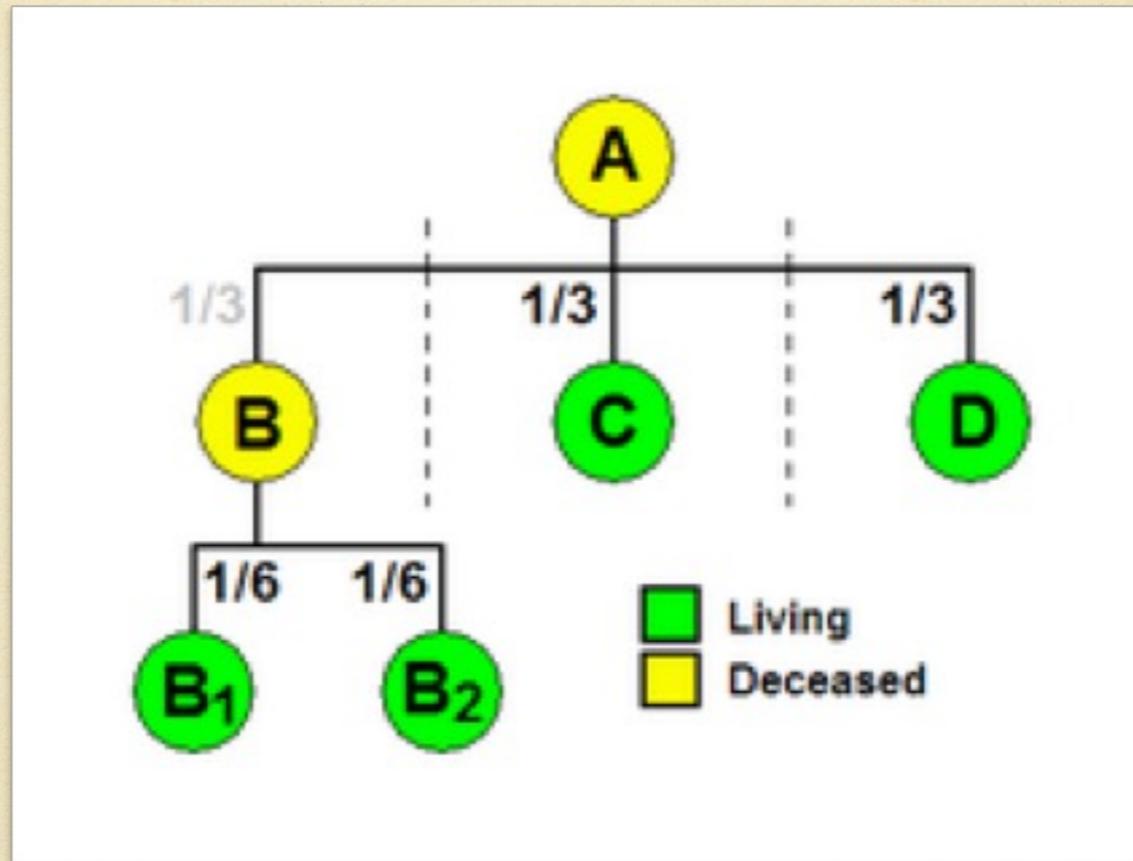
Trust Benefits

If I have a Trust do I need a Will?

- Yes, it is a backup device for what is not in the trust.
- The term "Per Stirpes" is the normal distribution hierarchy of assets to heirs.



“Per Stirpes” Distribution





Pets can't own
property.
Leave it to a good
home.

Can my pet be an heir?

Federal Estate Taxes

Thresholds in 2023

*\$12.92 million per single
\$25.84 million per couple
40% taxes above thresholds*

(Some states also have Estate Taxes)



Next Session

Providing for your family

The income value of a Nest Egg

Life Insurance

Questions?

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