

Protection Through Estate Planning

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Los Angeles Police Department

- I. Myths & Realities | Probate Explained
- II. Common Estate Planning Methods
 - A. Intestate Succession (No Will or Trust)
 - B. Testate Succession (Last Will and Testament)
 - C. Probate Requirements
 - D. Beneficiary Designations
 - E. Revocable Living Trusts (if properly structured and funded)
 - F. Property Ownership and Holding Title
- III. Estate and Gift tax Rules
- IV. Creating the Plan of Distribution
- V. Insurance & Deferred Compensation Tips & Pitfalls

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Protection Through Estate Planning

- I. Probate Explained
- II. Common Estate Planning Methods
 - A. Intestate Succession (No Will or Trust)
State plan may not be the best plan
 - B. Testate Succession (Last Will and Testament)
 - C. Probate Requirements in Testate or Intestate Succession
 - 1) Court Filing Required
 - 2) Notice to Creditors via Publication & To Heirs
 - 3) Time-consuming
 - 4) Can Be Expensive
 - 5) More Opportunities for Will Contest
 - D. Beneficiary Designations
 - 1) Life Insurance
 - 2) Retirement Accounts
 - 3) Bank Accounts (P.O.D.)
 - E. Revocable Living Trusts (if properly structured and funded)
 - 1) Created During Lifetime
 - 2) Transfer Assets into Trust Now
 - 3) Avoid Probate, Conservatorship & No Public Record
 - 4) Less Expensive to administer than to probate a Will
 - 5) Faster Distribution than to probate a Will
 - 6) Choose your Trustee
 - 7) Best for Tax Planning
 - F. Property Ownership and Holding Title
 - 1) Types:
 - a) Joint Tenancy with Right of Survivorship
 - b) Community Property with Right of Survivorship

- c) Community Property
- d) Tenancy in Common
- e) Separate Property

- 2) Cost Basis in Capital Assets
 - a) Carry over basis (gifts)
 - b) Step-up in basis (death)

III. Estate and Gift tax Rules

A. Amount exempt from Estate Tax

Previously:

2007:	\$2,000,000
2008:	\$2,000,000
2009:	\$3,500,000
2010:	No Estate Tax
2011:	\$1,000,000

B. Transfers to spouses are exempt from estate and gift taxes

C. Trusts take advantage of exemptions of both spouses

D. Gifts (outright)

- 1) \$12,000 per person per year
- 2) Additional gifts, Use Lifetime Exemption
- 3) Charitable Gifts

E. Irrevocable Life Insurance Trusts

IV. Creating the Plan of Distribution

(Identify Goals & Any Special Considerations)

A. Estate Taxes

- 1) Credit Shelter Trust (aka Bypass Trust)
- 2) QTIP Trust

B. Remarriage after death of first Spouse (Protect Bloodline)

- C. Creditor Protection
- D. Issues with Second Marriages
 - 1) Prenuptial and Postnuptial Agreements
 - 2) Allowances to Surviving Spouse
- V. Insurance & Deferred Compensation Tips & Pitfalls
 - A. Beneficiary Designations
 - B. Windfall Elimination Provision

See the Get Started Now page under Estate Planning at www.annlaw.com for additional information.

This information is general in nature and cannot take the place of legal consultation and advice tailored to your specific situation.

You may set up a free initial consultation by calling 310-342-8287.