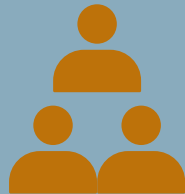


Estate Planning Toolkit

The tools you need to prepare for unexpected death

Getting Started

What will happen to everything you leave behind?



Family



Assets



House

Plan Types

Will-Based Plan

Distribute Assets: Make specific gifts of your assets to selected individuals.
Clear Plan: Family members are able to read the clear intent of the person who passed away.
Peace of Mind: Less need to worry what will happen after death because there is a plan.

Intestacy

When a person dies without an estate plan, their assets are distributed to heirs through the state's default intestacy rules.

Trust-Based Plan

Distribute Assets: Distribution of assets in the trust is controlled by the trust.
Clear Plan: Family members are able to read clear intent.
Peace of Mind: Less need to worry about what will happen after death.
Flexible Distributions: Assets may be distributed flexibly.
No Probate: Trusts avoid the need for probate.
Financial Protection for Minors: Trustees can pay for expenses of minors.
Incapacity Planning: Trustee can pay for expenses of incapacitated person.

- 1 Get clear on your goals.** Common goals include avoiding probate and avoiding family drama.
- 2 Choose a plan type.** There are advantages to trusts, but sometimes a will works for your situation.
- 3 Design your plan.** Sit with an attorney to discuss goals and decision makers.
- 4 Safeguard Documents.** Keep your plan in a safe place where it can be found when needed.
- 5 Update your plan.** Check back in with your plan yearly to make sure it aligns with your goals.

Your Estate Plan - Who are the Players?

Trustee - The person who has control over all property in the trust.

Personal Representative - The person who oversees the probate administration.

Guardian - The person who is legally responsible for the care of your minor children.

Power of Attorney - The person who has authority to act as an agent on another person's behalf.

Health Care Power of Attorney - Agent who has power to make medical decisions on behalf of another.

Beneficiary - The person who has a right to receive property in a trust.



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Estate Planning Options

Comparing Your Planning Options

Last Will & Testament



The Basics

A will describes the intentions of a testator.

A will names a guardian, who is responsible for the care of a minor child.

A will names recipients of a person's assets.

A will must be verified through a court procedure called probate.

Plan Goals

Avoid Contention - A clear will may help to avoid fighting between family members.

Directed Distributions - A will ensures that assets are distributed to the correct recipients.

Peace of mind - The testator has peace of mind knowing who will take care of their minor children.

Revocable Living Trust



The Basics

A Revocable Living Trust (Trust) is a flexible tool for distributing assets.

A Trust appoints a person to control assets held by the Trust - upon creation, this person is the Trust Maker.

A Trust directs when and how assets in the Trust are distributed to Beneficiaries.

Plan Goals

Avoid Contention - A clear Trust may help to avoid fighting between family members.

Avoid Probate - There is no need for probate for assets in a Trust.

Flexible Distributions - The Trust may distribute assets to Beneficiaries later in life when they are more responsible.

Peace of mind - Clear plan.

The Family Bank



The Basics

A Family Bank Trust (Family Bank) gives the Trustee power to grant loans to Beneficiaries.

The Family Bank allows Beneficiaries to take out loans for personal development and investment.

The Family Bank is funded with cash-equivalent assets.

Plan Goals

Reduce Reliance on Traditional Banks - Beneficiaries with access to loans from a Family Bank do not need to seek loans from traditional banks.

Legacy - Descendants can benefit from loans for generations as the Family Bank grows.

Gifting Opportunities - Family Bank can gift for generations.

Estate Planning Basics

Summary

It is very likely that at some point in your life – you have considered what will happen to the people and things you leave behind when you die. You may wonder whether an estate plan is right for you. The truth is – estate plans are beneficial to each and every person who has any family or has accumulated any assets during their life.

What is an Estate Plan?

In simple terms, an estate plan is a written plan that describes how a person would like their assets to be distributed after their death. There are three major benefits to creating an estate plan – specifically a revocable trust. First, your trust will specifically describe how you would like your assets to be distributed after your death. Second, revocable trusts allow assets to be distributed outside of probate court – avoiding the costs of time and money associated with opening a probate case. Finally, there is substantial peace of mind that is gained from having a plan in place for your family and your assets.

You Decide How Your Assets are Distributed

During your lifetime – you are in control of the disposition of your assets. Why should that change upon your death? Of course, you should have the freedom to dispose of your assets in the way you choose – but you can only do so if you do in fact choose by making a plan. Failure to make an estate plan will result in the default rules for disposition of assets upon death. The default rules in Arizona include the opening of a probate case and disposition of assets according to default rules, which require court approval.

Trust Assets Transferred Outside of Probate

When a person dies without an estate plan, all of their assets are held in their estate. The only way to get assets out of the estate and into the hands of the person's family members is through a court proceeding known as a probate case. Thus, a person with an interest in the estate must open a probate case, which often involves the hiring of an attorney. During the probate case, a judge will rule on the disposition of estate assets in accordance with default rules. Unfortunately, probate cases generally take at least five months from start to finish, and they can be a big cost to the estate.

A revocable living trust allows assets to be transferred outside of a probate court proceeding. If you choose to create a revocable living trust, you will transfer some of your assets to the trust immediately, and other assets will be transferred to your trust upon your death outside of the probate proceeding. You will also appoint a trustee to administer the trust. This means that you will appoint a person who can follow the instructions of the trust to distribute your assets according to your wishes without incurring the costs of opening a probate case.

Peace of Mind

The most immediate benefit that comes from creating an estate plan is peace of mind. Generally, the benefits of estate plans are experienced by your heirs. But – the benefit that you experience yourself when you create an estate plan is peace of mind. You will know that you have put a plan together that will distribute assets according to your own wishes.

Conclusion

Planning is always wise. We encourage everyone to speak with an attorney to determine what type of estate plan is right for them.