

Estate Planning 101

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Concord Young Professionals Network

The logo for Orr & Reno is displayed within a dark green rectangular background. The text "Orr & Reno" is written in a white, serif font, with the ampersand being a stylized, decorative element.

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1. Wealth Transmission

2. Health Directives

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Who can handle?

- Spouse (limited)
- Guardian of Estate
- Agent under Durable Power of Attorney
- Trustee

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Spousal limits

- Can't "sign your name"
- Can't sell real property
- Can't sue or defend lawsuit

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Durable Power of Attorney

- Agents
- Powers
- Like a “blank check”
- Terminates upon death

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Intestate – without a valid Will

- JTWRORS
- Beneficiary designations
- TOD
- UTMA
- Trust (if you have one)
- Laws of Descent and Distribution

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Why have a Will?

- Avoid intestacy
- Guardians (Person and Estate)
- Specific bequests
- Omit beneficiaries

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Why avoid probate?

- Bond
- Inventory
- Public
- Delayed access
- Costs



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Revocable Trust (a typical one)

- Transfers wealth
- Trustee and Beneficiary during your lifetime
- Successor trustee
- Transfers upon death

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Key to avoid probate –

Funding the trust
during lifetime



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But avoid funding trusts with

- 401(k)'s
- I.R.A.'s



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Continue the trust after death?

- Immature beneficiaries
- Beneficiaries with creditor problems
- Beneficiaries with “special needs”
- Federal tax planning

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Federal estate tax (“FET”) planning – 2010

- No FET in effect
- Beware Congress!
- New rules
 - Carry-over basis
 - Limited step-up in basis

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FET in 2011 and beyond

- “It’s back”
- Marital deduction of 100% (no change expected)
- Exemption of \$1 million
- Tax rate is 55%
- Check your crystal ball

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Health Directives

- Durable Power of Attorney for Health Care (“DPOAHC”)
- Living Will

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DPOAHC

- Avoid Guardianship of Person
- Agents
- End of life health issues
- More than end of life issues

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Living Wills

- Declaration
- No agent

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HIPAA Authorization

- Representatives get access
- Otherwise confidential

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Conclusions

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