

Kenneth E. Devore & Associates

A PROFESSIONAL CORPORATION

Attorneys at Law

Estate Planning, Trust, Probate, & Elder Law

31355 Oak Crest Drive, Suite 250, Westlake Village, CA 91361

Telephone 818.338.3252 Facsimile 818.338.3287

www.trustplanner.net

Kenneth E. Devore, LL.M. (Taxation)*

Attorney at Law
kdevore@trustplanner.net

Barbara L. Taaff*

Attorney at Law
htaaff@trustplanner.net

Stephanie M. Manis

Attorney at Law
smanis@trustplanner.net

**Certified Specialist in Estate Planning,
Trust and Probate Law by the
State Bar of California
Board of Legal Specialization*

ESTATE PLANNING

Frequently Asked Questions

Q *WHAT IS ESTATE PLANNING?*

A A comprehensive estate plan provides how your assets will pass upon your death, who will care for your children, and who will manage your assets and make important decisions on your behalf in the event of your incapacity, with the goal of minimizing costs, court supervision (i.e., Probate), and adverse tax consequences.

Q *WHAT DOCUMENTS SHOULD BE INCLUDED IN AN ESTATE PLAN?*

A A typical estate plan (for an individual or married couple) includes a Revocable Living Trust, a "pour-over" Will, a Nomination of Guardian, a Durable Power of Attorney for Property Management, an Assignment of Assets to Trust, a HIPAA Authorization, and an Advance Health Care Directive.

Q *WHAT IS A REVOCABLE LIVING TRUST?*

A Think of a Revocable Living Trust as a safe deposit box. You put all of your assets, including your home, cash and investments, inside the box. Only you have the key to your box, and you can take your assets out of the box whenever you please. You can even get rid of the box. Upon your death or incapacity, you pass the key to the box on to someone that you trust to manage your assets during your lifetime and pass them on to your beneficiaries at your death according to your instructions. A properly drafted Revocable Living Trust can be an important estate planning tool for many families, not just the wealthy.

Q *WHAT HAPPENS IF I DON'T HAVE AN ESTATE PLAN?*

A Without an estate plan (or if you just have a Will without a Trust) a majority of your assets may be subject to a lengthy, public, and expensive court procedure called "Probate" upon your death. Without any estate plan, your assets will pass according to state law (which may or may not align with your wishes). Your estate is subject to Probate if you die with real estate in your own name worth more than \$20,000 or combined real and personal property worth more than \$150,000 that does not pass by beneficiary designation. Fees associated with a probate for a \$1,000,000 gross estate will total around \$48,500 (\$23,000 in statutory attorney's fees, \$23,000 in statutory personal representative's fees, and about \$2,500 in filing fees and administrative expenses). Although there will be fees (attorney's fees, trustee fees, CPA fees, etc.) associated with administration of a trust, they are normally considerably less than in a formal probate and the process usually takes much less time.

ESTATE PLANNING

Frequently Asked Questions

Page 2

Q *HOW OFTEN SHOULD I REVIEW MY ESTATE PLAN?*

A While establishing an estate plan is an important first step, it is equally important to revisit your plan to be sure that it still reflects your wishes, taking into consideration legal, tax, and family changes that happen from time to time. We recommend reviewing your estate plan if (i) you have not reviewed your plan within the past 3 years; (ii) your circumstances or your beneficiaries' circumstances (i.e. health, wealth, family) have changed; (iii) you no longer wish for the person or entity named as your trustee/executor/agent to act on your behalf; or (iv) you have concerns about asset protection. Reviewing the suitability, performance, and beneficiary designations of life insurance policies is extremely valuable. Retirement plan beneficiary designations should also be reviewed, and naming a specially designed retirement plan trust as the beneficiary for asset protection (typically, after the spouse) should be considered.

Q *WHERE SHOULD I KEEP MY ESTATE PLANNING DOCUMENTS?*

A Your original estate planning documents should be kept in a safe place, such as a fireproof box. You should not store your original documents in a safe deposit box unless you have granted someone else access to the box. We strongly suggest that you notify your successor trustee or a trusted family member or friend of the location of your original estate planning documents. Additionally, we provide our clients with a flash drive that contains PDF copies of all of your signed documents should you wish to share them with trusted individuals and family members.

Q *HOW SHOULD I PROTECT MY DIGITAL ASSETS?*

A "Digital Assets" broadly refers to such online assets as email accounts, digital files, social networking accounts, online media and cloud accounts, usernames and passwords for these accounts, and so forth. We strongly recommend keeping a secure list of your user names and passwords so that your trustee or executor can readily access your accounts after your death. It is also crucial that those in charge of your estate have the power and authority to manage those accounts—our estate plans include specific provisions that allow a successor trustee or agent to fully access and control your digital assets upon your death or incapacity, although the account's terms of service agreement may ultimately determine access.

If you wish to discuss a new estate plan or review your existing estate plan, please call our office at (818) 338-3252 or email kdevore@trustplanner.net.

Kenneth E. Devore & Associates, APC