

# Estate Plan



Legacy & Estate Planning  
Getting Your Affairs in Order

# Four Documents for Every Estate Plan

1

## WILL

A Will is the document where you name Guardians and determine where your probate estate would go after your death.

2

## FINANCIAL POA

A Financial Power of Attorney is especially helpful if you become unable to manage your financial affairs. Your agent will be able to pay your bills, manage your investments, etc.

3

## HEALTH CARE POA

Similar to the financial document, a Health Care Power of Attorney appoints someone to make decisions on your behalf if you are unable to do so.

4

## LIVING WILL

A Living Will, sometimes called an Advance Directive, is a document that expresses your wishes in end-of-life situations.

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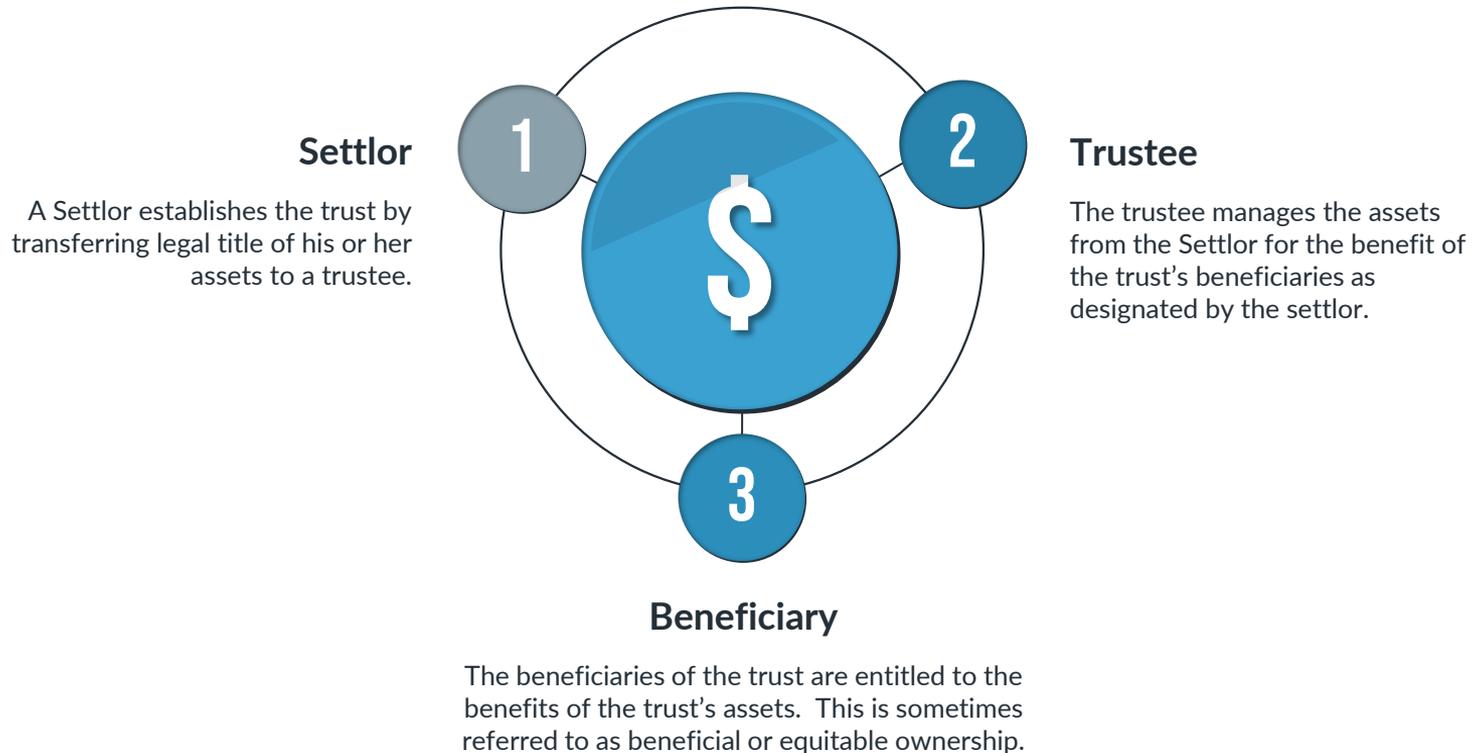
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# How Assets Pass at Death

- 1 Joint Title with Rights of Survivorship
- 2 Beneficiary/POD/TOD Designations
- 3 Trusts
- 4 Probate

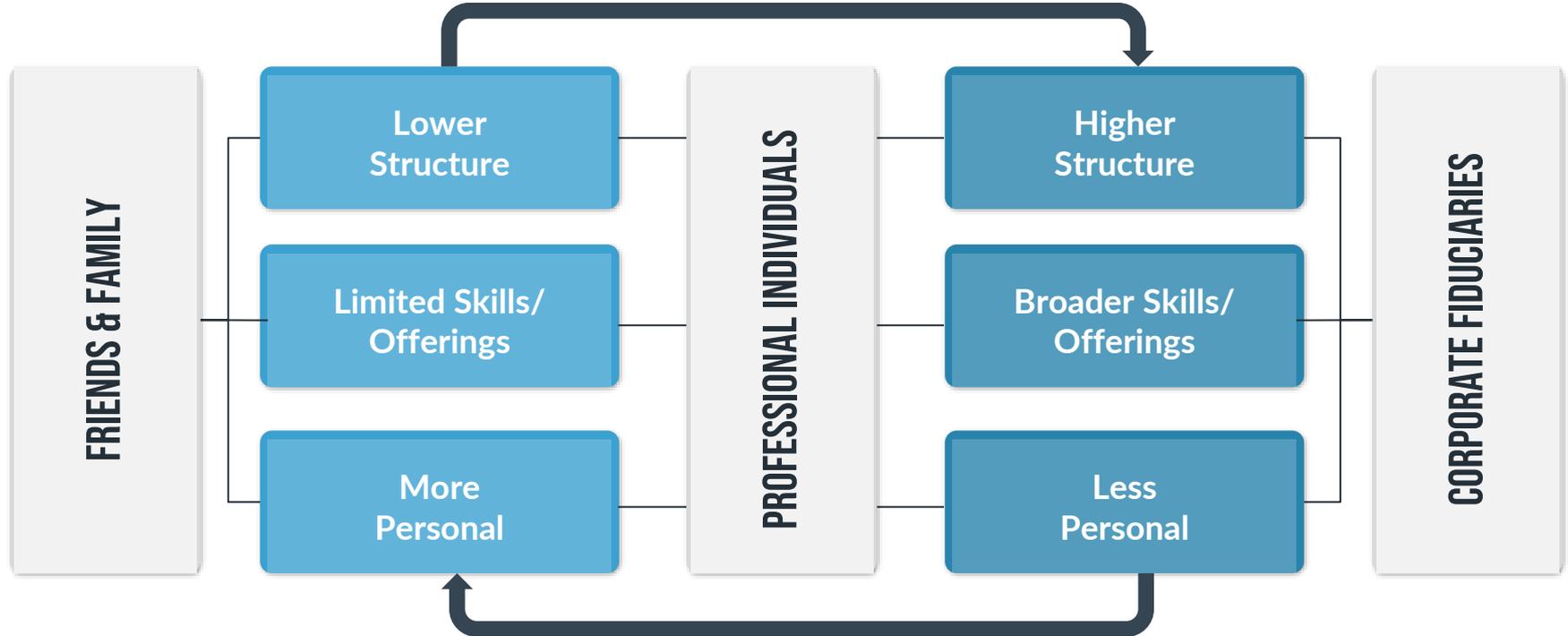
# Structure of a Trust

Balance of Power vs. Balance of Interests



# Three Options for Trustees

Primary Categories of Trustees for Personal Trusts



# Two Models

The Past and the Present



## Paternalistic Model

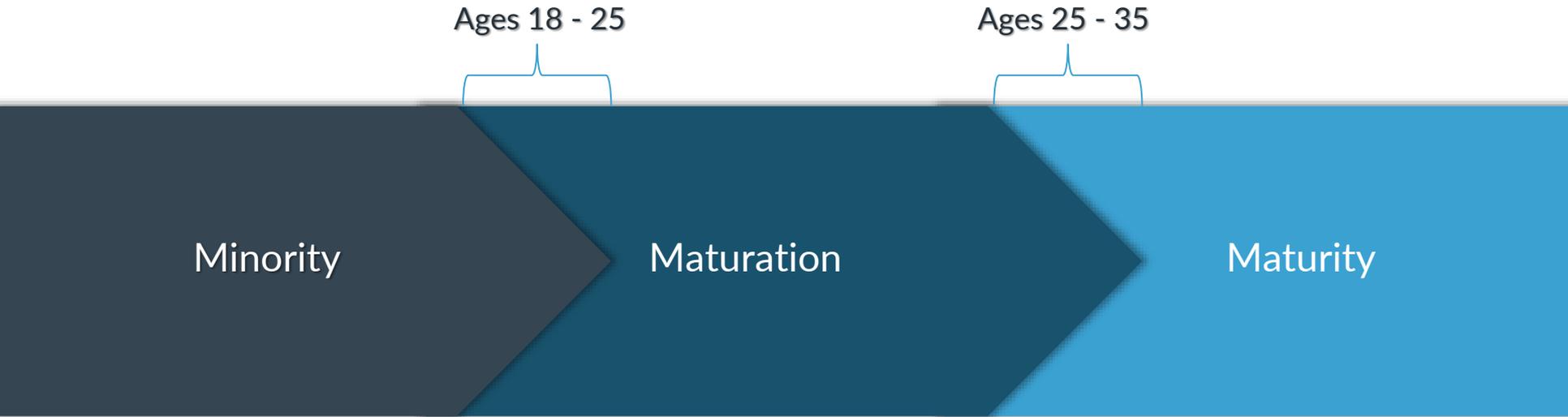
Greater emphasis on the Settlor's (sometimes shifting) goals and the Trustee's role to govern the trust in accordance with such goals.



## Generational Model

Greater emphasis on the benefits trusts provide to the beneficiaries than on the control that can be maintained by Settlers.

# Stages of Financial Maturity



\* Ages shown are an attempt to quantify the most common range when an individual moves from one stage to the next. Individuals will necessarily have a varied experience with these stages.

# Fiduciary Income Tax



\$100,000 Income  
Flows Into Trust



**Separate Trust**

\*Trusts Usually Pay CG



Distributions to  
Beneficiaries

Distribution	Trust Pays Tax on	Benis Pay Tax on
\$0	\$100,000	\$0
\$30,000	\$70,000	\$30,000
\$100,000	\$0	\$100,000
\$250,000	\$0	\$100,000

# Estate Tax Exemption in the Future

A Suggested Look Into the Crystal Ball

	EXTEND \$10 MILLION PLUS INFLATION	PLANNED REDUCTION TO \$5 MILLION PLUS INFLATION	EARLIER REDUCTION TO \$5 MILLION PLUS INFLATION	REDUCTION TO \$3.5 MILLION
Exemption	\$10 Million + inflation going forward permanently	\$10 Million + inflation thru 2025, then \$5 Million base after 2026	\$5 Million + inflation shortly after election	\$3.5 Million exemption shortly after election
Rate	40%	40%	40%	40% - 77%?
What needs to happen	There is almost no scenario where this plays out	Democrats squabble over tax planning generally prevents legislation	Democrats follow easiest path on tax reform before midterms	Democrats galvanize under left leaning wing of party
Likelihood Estimate*	<5%	~10%	70% - 80%	~10%

- The likelihood estimate is one person's prediction about how the legislation might go. They are therefore purely, even if thoughtfully, speculative.

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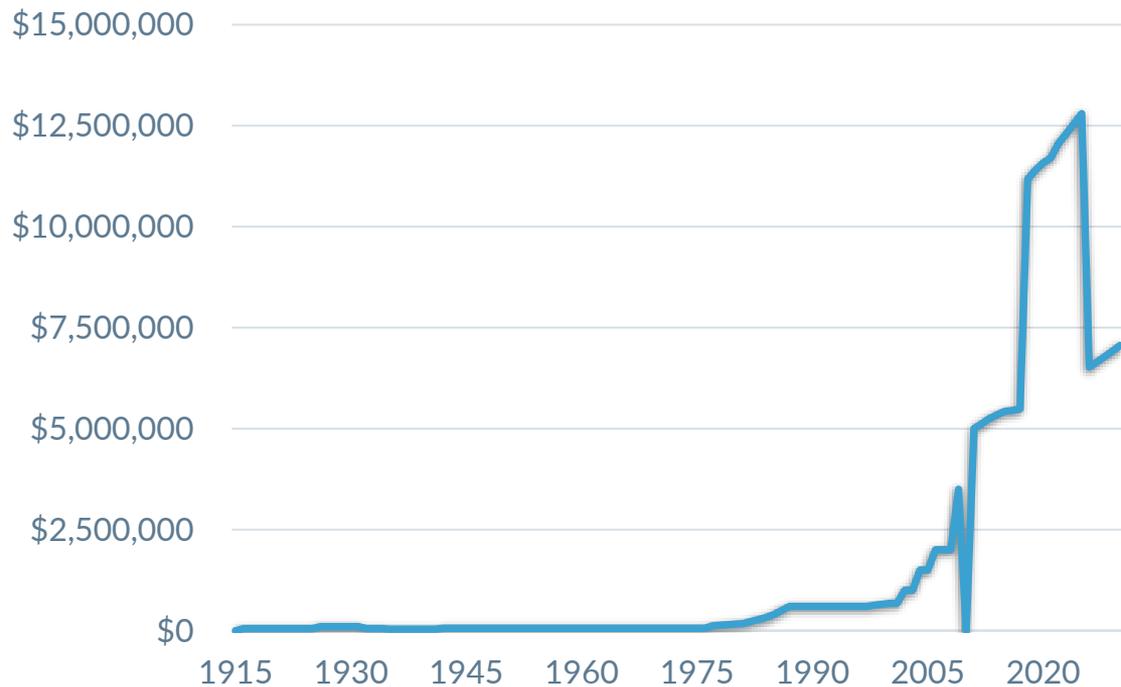
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# Estate Tax Exemption Over Time

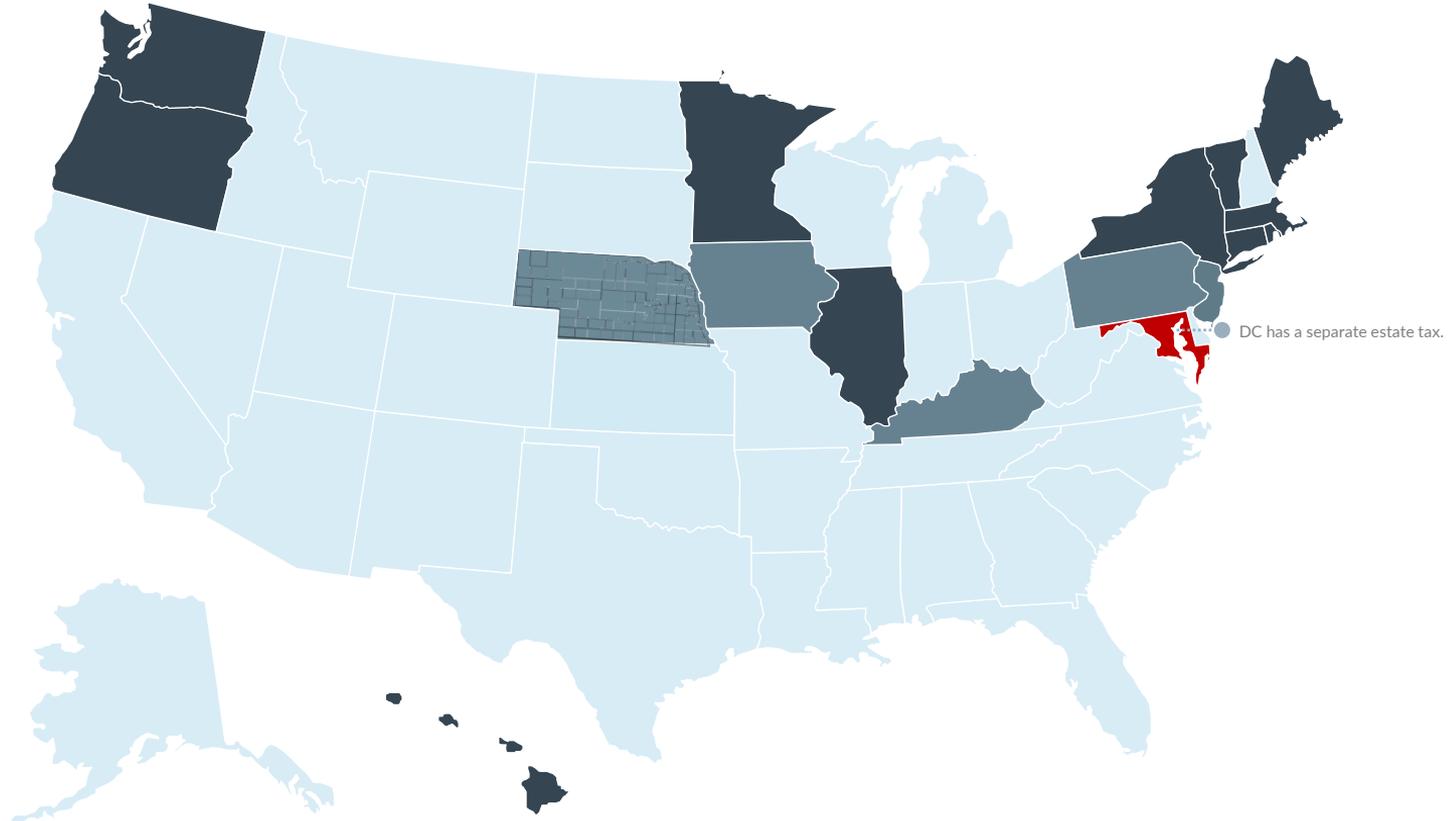
2022 Exemption: \$12,060,000



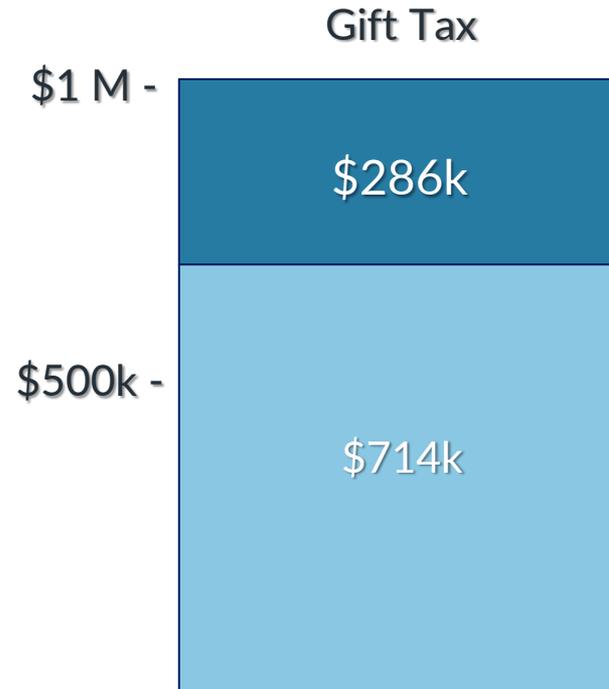
\* Future Projections Assume a 2% Inflation Factor

# State Estate Taxation

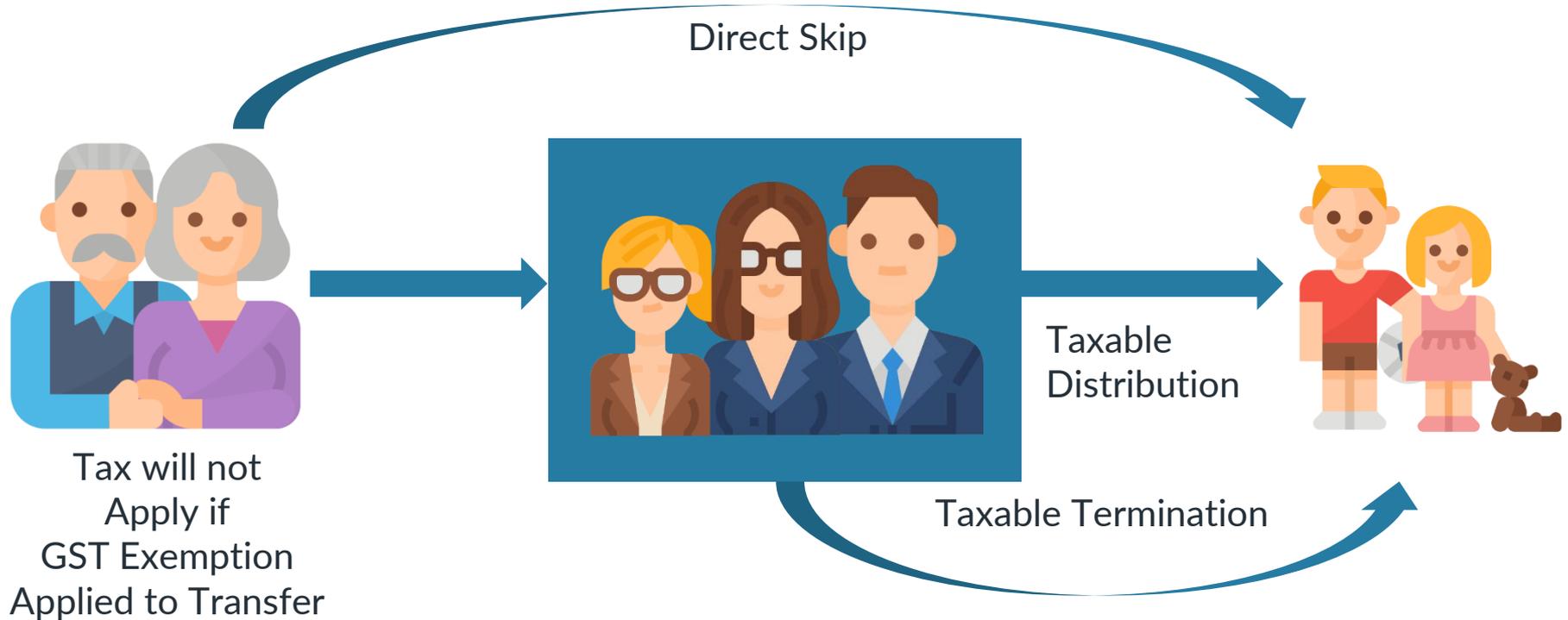
Not Just a Federal Issue



# Estate vs. Gift Tax

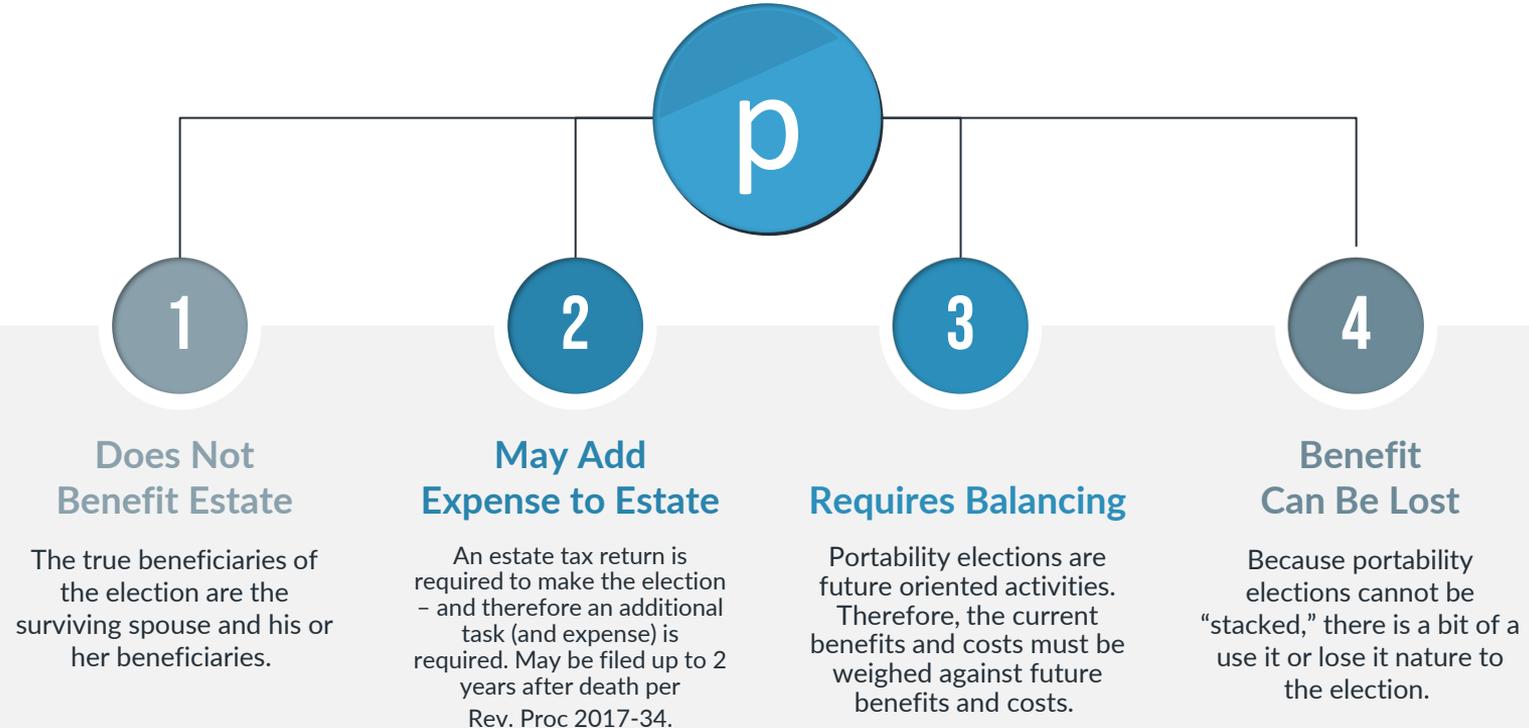


# Generation Skipping Transfer Tax



# Portability Election

A Very Different, Type of Election



## 24 Months (Portability Only)

Rev. Proc. 2017-34 provides all taxpayers with two years to file a portability only estate tax return.



## 9 Months

Estate tax return and estate tax payment are due within 9 months of death.



## 15 Months (6 Month Extension)

While there is an automatic 6-month extension of the time to file an estate tax return, there is no automatic extension of the time in which to pay.

# Want More Info?

Send an email to [mshiller@certuslegalgroup.com](mailto:mshiller@certuslegalgroup.com) to get the Little Book of Estate Planning

01

## Simple

The Little Book of Estate Planning discusses some of the mysteries of estate planning in a very easy to understand, conversational format.

02

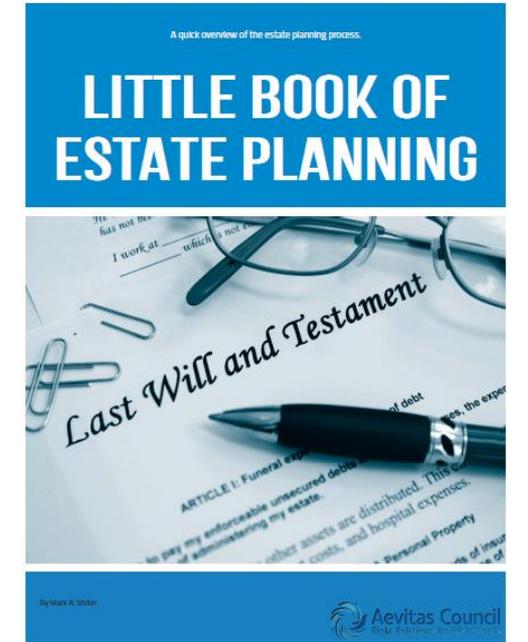
## Concise

The book is little. So it's not difficult to get through the topics in just a single sitting.

03

## Answers

More than anything, the Little Book of Estate Planning will give you clear, general answers to many important questions you're likely to have about your personal estate planning.





# Contact Mark

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