

## ***Planning Ahead***



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## **Estate Planning – Be Prepared**

In California, if you own your home, avoiding probate with a living trust will save your beneficiaries potentially tens of thousands of dollars.

Probate is a long process, typically over a year, it involves the Court and it is expensive. Probate Court records are open to anyone to review. Anthony Bourdain's Will and the assets of his estate became public record as soon as the Probate was filed. A living trust can facilitate distribution to your beneficiaries sooner, at less expense and remain private to the outside world.

In creating your trust it is important to plan for contingencies. It may seem unlikely that someone would die before you, but we all know how life happens. You have to think about how a gift should be distributed if the intended beneficiary is not around. Will the gift be distributed to the beneficiary's children instead? Or cancelled? Or perhaps you will name a charity as an alternate beneficiary. The same questions apply to your Successor Trustee. Ideally you will have a back-up plus one more, just in case.

Once your trust is signed your assets must be transferred to the trust. Many people keep multiple accounts, each with a designated beneficiary, as a form of estate planning. They resist transferring such accounts to the trust. But the whole point of the trust is to have a single, comprehensive plan that takes into account the value of your entire estate at the time of your death, something we can't know today. Account values can change and so can your overall financial picture. Using the account method, a beneficiary risks receiving more or less than intended. By making full use of your trust, transferring all assets to the trust, and making gifts to beneficiaries under the trust by percentage of overall value, your wishes are more likely to be carried out no matter how your finances change in the future.

Finally, you don't have to be "rich" to need an estate plan. Even if you don't own your home or if a living trust is not appropriate in your case, everyone needs the three essentials: Will/Trust, Durable Power of Attorney and Advance Health Care Directive. The Scout motto: "Be Prepared" are words to live by. There is no better legacy.

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