

# An Overview of Estate Planning

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# **ESTATE PLANNING**

At the conclusion of this program, you will be able to:

- 1) Describe the importance of estate planning;
- 2) Describe the process of estate planning;
- 3) Identify assets that may be considered in estate planning;

## **Introduction**

## **ESTATE PLANNING**

- 4) Describe the tools that are essential for estate planning; and
- 5) Develop communication strategies for discussing estate planning with family and significant others.

### **Introduction**

## **ESTATE PLANNING**

Estate Planning involves a number of steps, including:

- 1) Determining your personal property and how it will be distributed;
- 2) Identifying those tools which may enable successful transfer of assets; and
- 3) Developing and implementing a plan that may permit successful transfer.

## **Estate Planning Defined**

# **ESTATE PLANNING**

Moreover, estate planning is highly critical in allowing you to maintain control of and preserve your assets.

## **Estate Planning Defined**

### ESTATE TAX RETURN

U. S. TREASURY DEPARTMENT		Date received _____
Internal Revenue Service		From _____ File no. _____
Deceased's first name and middle initial		
Deceased's social security number		
Date of death		
Residence (domestic or foreign)		Date granted _____
Did the decedent die testate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Date of death Case No. _____
		To whom or named in the will or otherwise whether persons living return estate _____

Ex parte or different from the person or  
persons to whom the estate was left, and named in the will

To whom or named in the will or otherwise whether  
persons living return  
estate \_\_\_\_\_

Taxable estate item 1

1. Gross estate tax
2. Credit for State tax
3. Gross estate tax credit for Federal
4. Credit for Federal
5. Credit for tax
6. Credit for tax
7. Total of credits
8. Net taxable tax

Item	Description	Amount
1.	Gross estate tax	\$ _____
2.	Credit for State tax	\$ _____
3.	Gross estate tax credit for Federal	\$ _____
4.	Credit for Federal	\$ _____
5.	Credit for tax	\$ _____
6.	Credit for tax	\$ _____
7.	Total of credits	\$ _____
8.	Net taxable tax	\$ _____

DETERMINATION BY INTERNAL REVENUE SERVICE  
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I WANT YOUR  
MONEY

## **ESTATE PLANNING**

In preparing for estate planning, there are a number of assets you should consider.

- 1) Checking and savings accounts;
- 2) Monies that are owed to you;
- 3) Listed securities;
- 4) Business interests, including their value;
- 5) Real estate;

## **Assets**

## **ESTATE PLANNING**

- 6) Life insurance;
- 7) Investments, including pension and retirement plans (i.e., Keogh, IRA), profit sharing, stock options, and deferred compensation plans;
- 8) Personal items, including household furnishings, automobiles, and vacation homes;

## **Assets**

# **ESTATE PLANNING**

- 9) Personal valuables, including art, antiques, jewelry, china, crystal, and silver; and
- 10) Personal collections, including books, stamps, coins, dolls, and sports cards.

## **Assets**

## **ESTATE PLANNING**

Estate planning includes a number of essential tools, including:

- 1) Wills and trusts;
- 2) Gifts;
- 3) Joint property;
- 4) Life insurance and safe deposit boxes; and
- 5) Burial instructions.

## **Essential Tools**

## **ESTATE PLANNING**

Effective estate planning involves several key steps:

- 1) Develop a list of your assets and their approximate value;
- 2) Identify the individuals and organizations that you will provide for;
- 3) With the assistance of an attorney, develop a plan for the transfer of your assets;

## **The Essentials of Estate Planning**

## **ESTATE PLANNING**

- 4) Carefully review your estate planning documents after you and your attorney have prepared them; and
- 5) With your attorney, develop a plan for review and if needed, revision, once every five years.

## **The Essentials of Estate Planning**

# ESTATE ANALYSIS

## How It Works

### YOUR ESTATE

#### ASSETS

- Bank Accounts
- Certificates of Deposit
- Real Estate
- Stocks
- Mutual Funds
- Bonds
- Business Interests
- Life Insurance
- Annuities
- Pension Benefits
- Income Agreements

#### TRANSFER METHODS

- (At death and during life)  
Insurance Policies  
(Joint, Estate, Bank Accounts,  
Stocks, etc.)  
Beneficiary Designations  
Wills and Trusts  
Business Continuation  
Agreements  
Community Property Interests

#### GOALS AND OBJECTIVES

- Desired Retirement Income
- Survivorship Income
- Disposition of Business Interests
- Capital Accumulation
- Capital Conservation
- Educational Funds
- Charitable Giving

#### ILLUSTRATION OF YOUR ESTATE TODAY

MINIMIZE  
ESTATE  
COSTS

ESTATE PLANNING BY YOUR  
LEGAL COUNSEL AND INSURANCE  
COUNSEL

MAXIMIZE FUTURE FINANCIAL  
SECURITY OF YOUR FAMILY

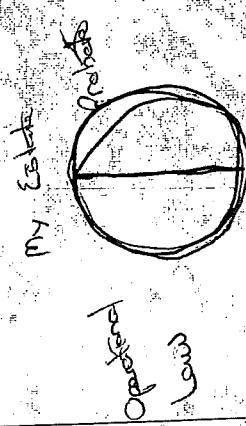
7.5

#### PLANNING ALTERNATIVES

MINIMIZE  
ESTATE  
TAXES

WFR #2500.00

## ESTATE PLANNING



## A Special Word about Probate

- 1) Probate: What is it?
- 2) Assets that are subject to probate
- 3) Should you avoid probate?
- 4) How to avoid probate

# ESTATE PLANNING

Discussing estate planning  
With relatives and  
significant others can be  
a daunting process.  
  
Communication with family  
and  
Let's talk about a few ways  
and  
to make the process as  
bainless as possible!  
  
significant  
others

# **ESTATE PLANNING**

- 1) Discuss the value of and need for estate planning;
- 2) Avoid controlling language while maximizing the individual's control over his/her assets;
- 3) Attentive listening allows you to understand the individual's concerns, goals, and preferences;

**Communication with family and significant others**

## **ESTATE PLANNING**

- 4) Offer additional resources to help clarify the estate planning process, including your attorney and brochures;
- 5) Employee resource programs can be valuable sources for assistance; and significant others
- 6) Respect the individual's privacy.

## **ESTATE PLANNING**

When Howard Hughes died, people who knew him were aware that he didn't like any of his or his father's relatives.

Moreover, he hated attorneys and held the U. S. government in the highest contempt.

## **Why Plan Your Estate?**

At this death, his relatives, attorneys, and the U. S. government divided the spoils of his \$1.5 billion estate.

*This is a direct result of the lack of Estate Planning.*