

ESTATE PLANNING

BYRNE
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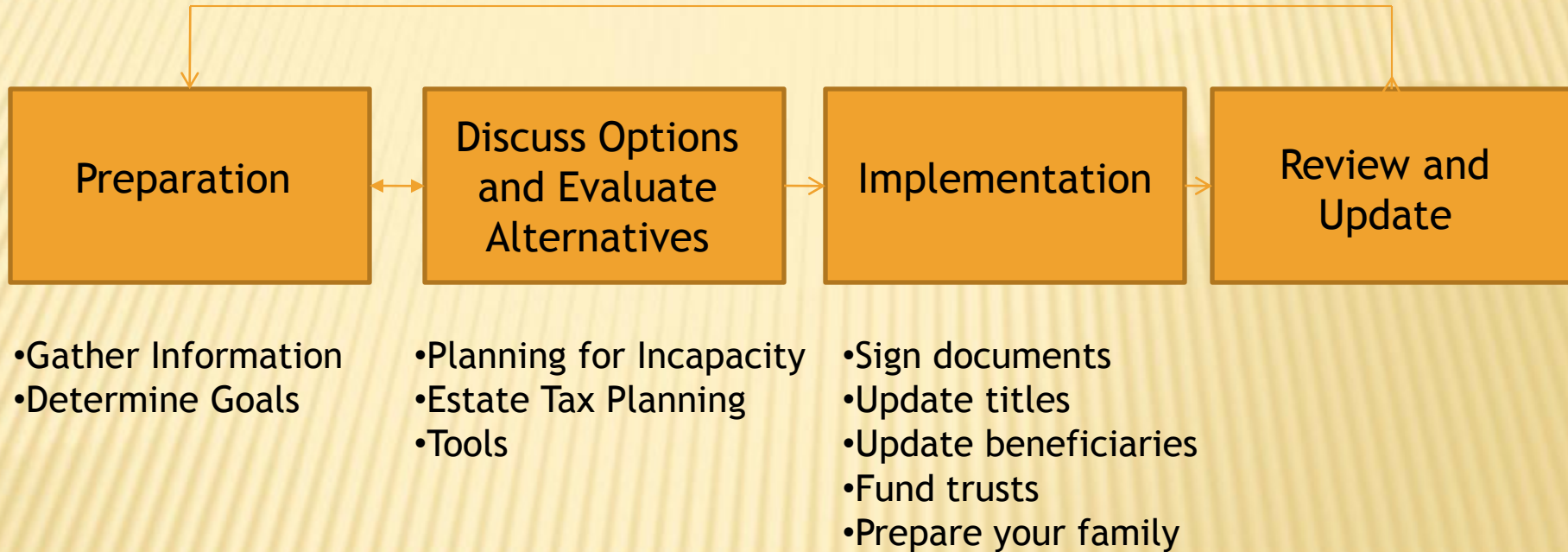
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AGENDA

- ✘ Estate Planning Process
- ✘ Goals and Objectives of Estate Planning
- ✘ Estate Planning Concepts
- ✘ Common Estate Planning Tools



ESTATE PLANNING PROCESS



GATHER INFORMATION/IDENTIFY YOUR ESTATE

- Estate Planning Organizer
 - Identify heirs and beneficiaries
 - Confirm titling of assets
 - Define Roles
 - Identify your estate

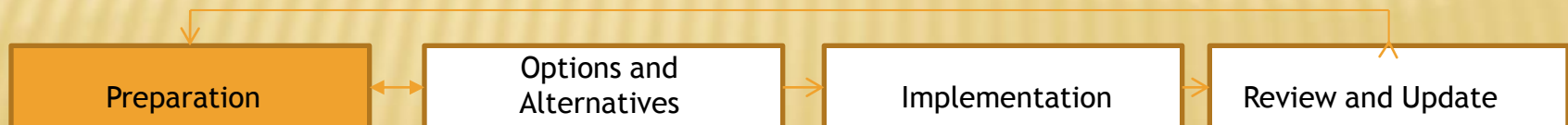


Taxable Estate

Life Insurance
Assets held in trust
Jointly owned assets

Probate Estate

Assets in your name



WHAT IS PROBATE?

Probate Court Oversight of Probate Assets

Instructions in your will or MN statutes



Property distributed to heirs or beneficiaries

Guardians appointed for minor children

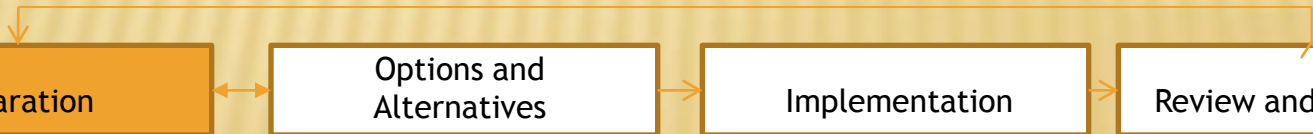


Preparation

Options and Alternatives

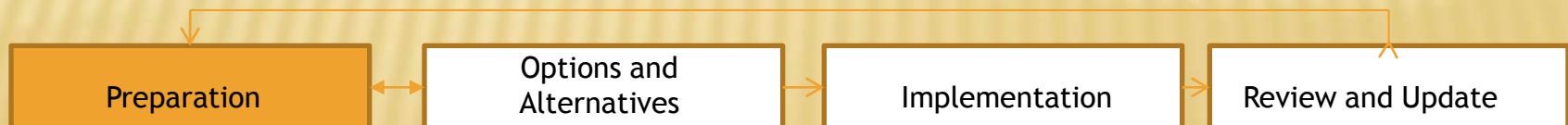
Implementation

Review and Update



COMMON ESTATE PLANNING GOALS

- ✘ Distribute property
- ✘ Minimize or eliminate estate taxes
- ✘ Avoid probate
- ✘ Protect Children
- ✘ Privacy



PLANNING FOR INCAPACITY

Everyone Needs

Other Tools

Healthcare Directive

- Designate Health Care Agent to make medical decisions

Power of Attorney

- Designate Attorney-in-Fact to handle finances

Joint Ownership

- Co-ownership with rights of survivorship

Living Trusts

- Legal entity that holds non-probate property

Preparation

Options and Alternatives

Implementation

Review and Update

ESTATE TAX PLANNING

- ✘ Eliminate or minimize estate taxes
- ✘ Exemptions for Taxable Estates:
 - + Minnesota: \$1,000,000
 - ✘ Tax rate at 5.6 % - 16%
 - + Federal: \$5,000,000
 - ✘ Tax rate at 35%
- ✘ New Portability Feature
 - + Must be elected at death of first spouse



ESTATE TAX ADDITIONAL CONSIDERATIONS

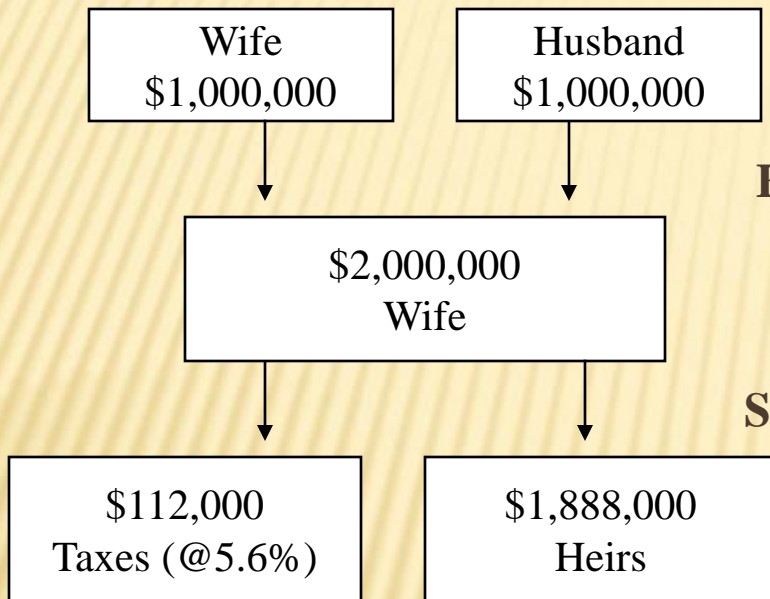
- ✘ No tax on bequest to U.S. citizen spouse
- ✘ Problems with old “formula” credit shelter trusts
- ✘ Disclaimers



CREDIT SHELTER TRUSTS

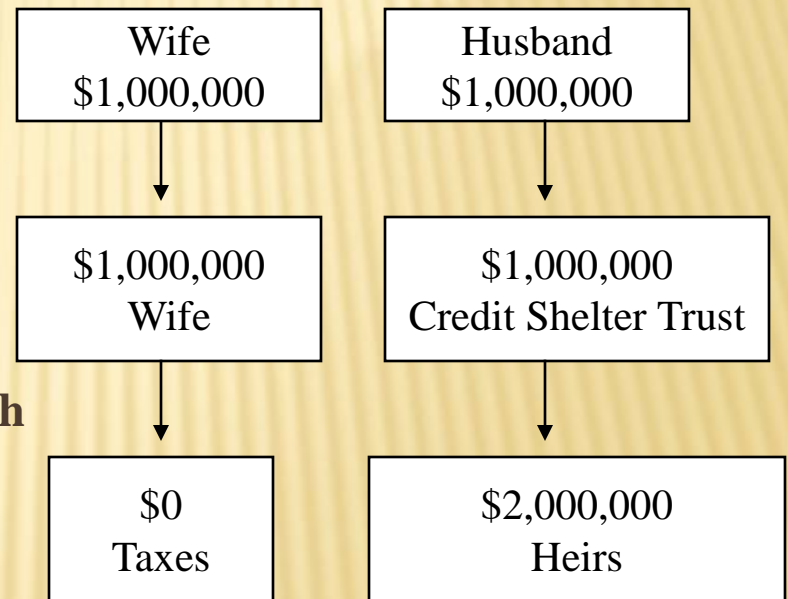
All to Spouse

(uses one state estate tax exemption)



Credit Shelter Trust

(uses both state estate tax exemptions)



TRUSTS

- ✘ Vehicle to hold assets
- ✘ Can avoid probate
- ✘ Required for delayed and sophisticated distribution



ASSET TITLING/BENEFICIARIES

- ✘ Joint Tenancy
- ✘ Payable on Death
- ✘ Life Insurance
- ✘ Retirement Accounts



TRANSFER ON DEATH DEED

- ✘ Designates owners after death
- ✘ Can be revoked or changed
- ✘ Avoids probate
- ✘ Beneficiary has no ownership interest until after your death



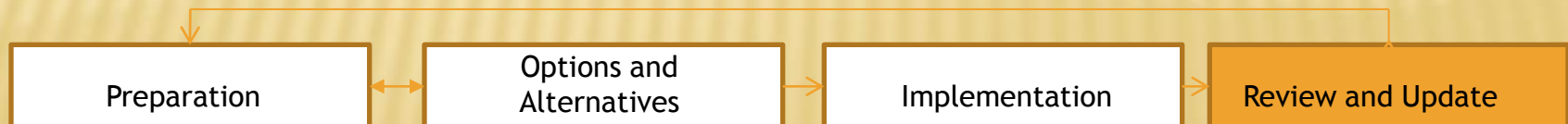
IMPLEMENTATION OF YOUR ESTATE PLAN

- ✘ Finalize and sign Estate Planning Documents
- ✘ Update beneficiary designations
- ✘ Re-title assets, if required
- ✘ Fund Trusts
- ✘ Prepare your family



REGULAR REVIEW AND UPDATE

- ✘ Reasons to update your estate plan
 - ✘ Tax law changes
 - ✘ Family changes
 - ✘ Incapacity
 - ✘ Financial changes
 - ✘ Geographic move



CONCLUSION

Questions and Answers

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