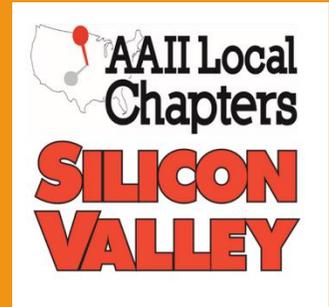


Estate Planning In Uncertain Times

Board Panel Discussion - Debra
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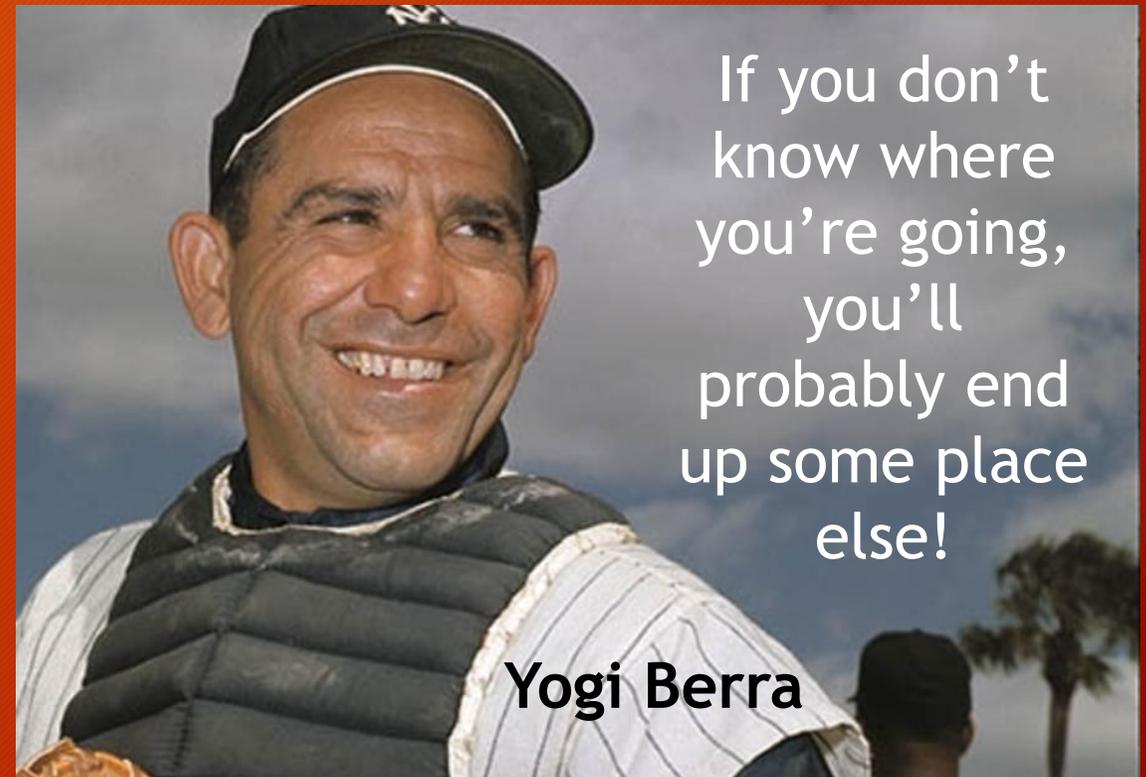
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Estate Plan: COVID

- No changes to our Estate Plan due to COVID
 - The best financial decision, which wasn't easy, was to avoid panic decisions
 - Due to deaths in our families prior to COVID, we were already dealing with estates and reviewing our overall finances and estate plan



Financial Decisions: COVID



- Minor buying on Stock Market pullback
 - Continuing to review COVID exposure for individual stocks
- Continued existing financial plan

Advice - Who to Trust



- Beware of advice especially if it is outside the givers area of expertise
- Just because someone works for a financial institution doesn't mean they know how to handle your situation
 - Examples:
 - Tried to add a POD to a trust account
 - Not understanding the difference between revocable and irrevocable
 - Bad tax advice (not from a tax professional)

Rules and Regulations



- Each financial institution sets its own rules in addition to regulations
 - Unfortunately, the only path to success is to make them clarify exactly what it needed.
 - What documents are needed
 - How are they to be submitted
 - Who needs to be physically present
 - Each failure gives you more information for the next attempt
 - If it is an employee that is being obnoxious or incompetent, request to work with a different person or go to a different branch

Estate - The unexpected (1 of 4)



- As with all planning, it is what you don't know that will hurt.
- Emotional issues with family members
 - Much more difficult to predict and can be very brutal to handle
 - Beware of old grudges that are trying to be settled
 - When an even number of co-trustees or co-executors/executrixes are appointed there is a possibility of a deadlock
 - A method for tie breaking is needed

Estate - The unexpected (2 of 4)



- Property Taxes
 - Unless those inheriting the property are allowed to assume the Prop 13 tax basis, property taxes immediately increase to based on the market value of the property
 - A Supplemental Property Tax bill is issued as an Unsecured Property Tax bill
 - It is the responsibility of the estate
 - If it is not issued before the property is sold, it will NOT be handled in escrow when the property is sold
 - Before COVID, it took around 6 months for the Supplement Property Tax bill to be issued. Now, the time isn't known. A property that sold over a year ago has not been reappraised. We still don't know if a Supplemental Tax Bill will be issued. It was mostly inherited by children but the Special Needs Trust for a child may not have the same status.

Estate - The unexpected (3 of 4)



- Pets

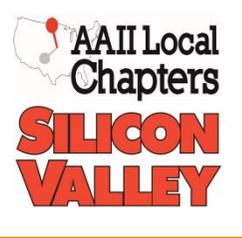
- Pets are often the most important immediate need for access to property after a death.
 - My sister's cats didn't like anyone but her and my husband is allergic to them.
 - We had access to the house to feed them but couldn't find them. Food and water disappeared. Even though they were indoor cats we had to trap them to find them.

Estate - The unexpected (4 of 4)



- What was overlooked even after assisting my with mother-in-law with her finances including her trust
 - Managing the Special Needs Trust that was created at her death
 - Sensitive issues to address
 - Verifying that all siblings had wills or trusts that wouldn't impact the benefits of the disabled family member
 - Didn't ask other details, Only for the existence of the document
 - Assisted one sibling who isn't married to create a will
 - Verify which siblings had Medical Power of Attorney
 - Where are the documents?
 - Who is designated?

Estate - DIY Bad



- A bad estate plan is worse than no plan
 - Do not allow a family member or anyone else to lure you into decisions that you haven't had time to appropriately review
 - Family members can easily have their own agenda
 - Independent professional review even if you ultimately don't take their advice is worth the cost

Actions Taken (1 of 2)



- Reviewed our trust
 - Minor updates considered but not required
- Reviewed beneficiaries on all of our accounts
 - Replaced any deceased beneficiaries
- Found a CPA for the Special Needs Trust
 - Was turned down by two CPAs
- Appeased a sibling by finding a Special Needs Attorney who they accepted for advice regarding the disabled siblings legal issues and Special Needs Trust.

Actions Taken (2 of 2)



- Verified that siblings of the disabled family member had wills/trusts that would not interfere their benefits.
- My husband and I use password safes and know each others master password. We will have access to each other's accounts as needed.
- My husband and I often travel together. The successor trustee and executor has the information for our lawyer who holds the original of our wills and trusts

Actions Needed



- With three deaths in our families, there are a few small inherited accounts that aren't in our trust
 - Accounts need to be consolidated
 - All accounts need to be in the trust
 - We are likely in better shape than most but still clutter has crept in
- Create a current list of accounts that would be accessible by the trustee

Probate (1 of 3)



- Trusts have their advantages but Probate especially for a small estate isn't a disaster
- Probate Issues
 - The documents are made public and there are vultures who are constantly searching probate filings for targets.
 - Even though probate was closed last year I am still occasionally receiving phone calls from those trying to convince me that probate would be too difficult without their help.
 - If you have a vulnerable family member who is an executor/executrix, don't put their phone number on the probate documents. The only legitimate calls were from my lawyer and from the court appointed probate referee. In retrospect, I wish I had used a burner phone for probate filings.
 - There will also be mail from the vultures which I am also continuing to receive.

Probate (2 of 3)



- Don't be overly anxious to pay bills.
 - IRS and State have priority over many liabilities
 - Unless you have been involved enough to know that taxes have been properly filed and paid there can be really unpleasant surprises
 - Example (not our family): The deceased person decided 10 years before her death that she wasn't going to ever pay taxes again while continuing to run a business. Basically, the estate assets were handled over the IRS and State. It worked for her but made quite a mess for the executor.
 - Before COVID, it was routine in Santa Clara county for it to take 3 to 4 months for the Probate Court to issue the initial Letters of Administration. Paying bills is NOT considered an emergency.

Probate (3 of 3)



- Bank account that had utility autopayments was frozen by the bank when Social Security took back the last payment.
 - Bank account was for an individual
 - The same issue didn't occur when there were multiple account holders
- Pensions
 - Pension plan administrators were immediately notified. It didn't mean that they took prompt action. The account receiving the payments had to be kept open until the administrator stopped making payments and reclaimed the overpayments. This can be annoying when it extends across tax years and incorrect 1099s are issued.