IOWA

Tippie College of Business

Getting Your Ducks in a Row:
The documents you need and the challenging discussions you need to have

Life Lessons Webinar Series

November 8, 2022

Reminder:

Life Lessons webinars are designed to provide an overview of matters you may wish to consider at different stages of life.

The webinar information does not, and is not intended to, constitute legal or financial advice; instead, all webinar information, content, and materials are for general information purposes only.

Please contact your personal financial advisor or attorney to obtain advice with respect to your specific circumstances.

Topic Overview

CYNTHIA NANCE
DEAN & NATHAN G. GORDON PROFESSOR
UNIVERSITY OF ARKANSAS SCHOOL OF LAW

Estate Planning

TOM GELMAN

PHELAN TUCKER LAW LLP

Estate Planning – Principal Objectives

1. Disposition of Assets
2. Death Tax Mitigation and Income Tax Planning
3. Administrative Process
4. Incapacity Planning
5. Management of Assets/Investments
6. Charitable Gift Planning

Documentation is King

- Disposition of Assets
  - During lifetime and/or upon death
- Incapacity Planning
  - During lifetime
- Administration of your assets
  - During lifetime and after death
- Special Circumstances
  - During lifetime or after death

“Tools” for Disposition of Assets

→ Non-Probate Administration
- Joint Tenancy with Right of Survivorship
- Contractual Beneficiary Designations
  - IRAs, QRPs, life insurance, annuities, etc.
- Payable on Death/Transfer on Death registrations
  - Bank and Brokerage accounts
- TOD or Beneficiary Deeds
- Inter Vivos Trusts
  - Revocable/irrevocable

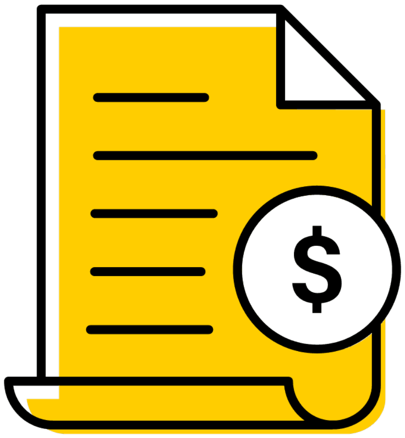
More “Tools” for Disposition of Assets

- Probate Administration - statutory court process
  - Last Will and Testament
  - Intestate (without a will)

- Written Statement for special items of Tangible Personal Property

"Tools" for Incapacity Planning

- Financial
  - General Durable Power of Attorney (POA)
  - Trust assets
- Healthcare
  - Healthcare Power of Attorney
  - Living Will



“Tools” for Special Circumstances

- Charitable gift planning
- Other tools
  - Death tax mitigation / tax planning
  - Do not resuscitate orders
  - Organ donation
  - Letter of wishes for post-death matters
  - Premarital agreements

Proper use of the "tools"

- Must be used thoughtfully and appropriately
- Get guidance from qualified and reputable advisors familiar with your specific circumstances and objectives

Making it easier for your loved ones

- POA agent, trustees
- Keep a comprehensive, up-to-date list of assets and liabilities (see handout)
  - Bank/brokerage accounts, insurance, IRAs, retirement accounts, annuities, real estate, personal property, other assets
- Have accurate contact information lists
  - Family, beneficiaries, POA agents
  - Lawyers, accountants, investment managers, bankers, trust officers

“Who knows the safe combination?”

- Disclose the location of important documents
- Keep records up to date, organized, secure, and available
- Confirm documents for elderly parents or disabled beneficiaries

Get organized

- → Digital: passwords, online accounts
- → Credit card accounts
- → Autopay charges on credit cards, bank accounts
- → Real estate documents
- → Social Security info
- → Timeshares, Mineral Rights
- → Other information unique to your circumstances

Simplify

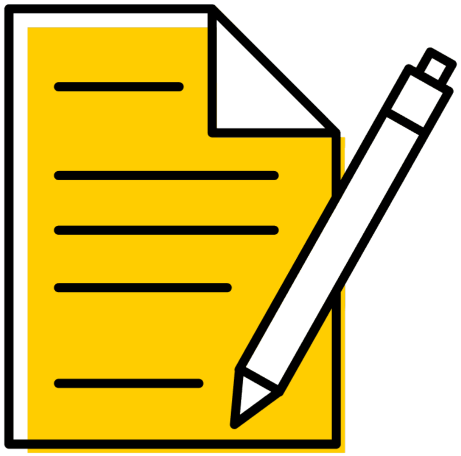
- Liquidate assets (but know the tax implications)
- Consolidate accounts
- Unneeded life insurance contracts
- Out-of-state real estate, timeshares, etc.
- Reduce debt
- Downsize belongings

Trusts & How Assets Pass

KYLE IRVIN, SR VICE PRESIDENT AND TRUST OFFICER
SECURITY NATIONAL BANK, WEALTH MANAGEMENT

What Type of Trust?

- Revocable Trust aka “Living Trust”: The most common
- Considered a Will Substitute
- How does it work?



Things a Revocable Trust Can’t Do

Misconceptions of Revocable Trust

- Only high net worth
- Tax effects
- Nursing Home
- Creditors

Positives of a Trust

- → Avoids a Conservatorship during life and a Probate at death
- → More privacy after death
- → More flexible administration that can go more quickly
- → Multi-state transfers.
- → Can stay in place for a long time

Negatives of a Trust

- More time to complete on the front end
- More $ to set up
- Less oversight after death because no court

What about an Irrevocable Trust?

- Often the person is gifting or giving up all or pretty much all of their control over the assets they put into the trust
- Very specific purposes
- Large Gifts
- Creditors
- Tax

- Typically more costly

IOWA

Many assets pass via beneficiary designation or joint tenancy

- Life Insurance Policies, Annuities, Bank Accounts and Stock Accounts can have beneficiary designations on bank signature cards (payable on death=POD) or investment account agreements (transfer on death=TOD) that supersede the will.
- A Bank or Stock Signature Card is a contract between you and the bank: First Question: Is this account payable on death (POD or TOD?
- The POD or TOD trumps your Will or Trust
- Joint Tenancy property passes to the surviving joint tenant.

Business Succession Documents

- Operating Agreement
- Shareholders Agreement
- Buy-Sell
- Estate Planning Documents

Having the discussion

SARAH NEARY, SOCIAL WORKER
OAKNOLL RETIREMENT RESIDENCE

Upcoming Tippie Alumni Webinars

Final three installments in the Life Lessons Webinar Series

- **Wednesday, January 11**: Ready, Set, Retire: Planning for your Golden Years
- **Wednesday, February 8**: Death is in the Details
- **Wednesday, March 1**: Last But Not Least: Tax Considerations for Life's Milestones

tippie.uiowa.edu/alumni

IOWA

Get the Handouts

- tippie.uiowa.edu/life-lessons

IOWA