

# ESTATE PLANNING IN 2020

What You Need to  
Know about Estate  
Planning NOW

Presenters:

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Capital Region

Family Business Center

Helping Family Businesses Grow and Prosper

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# Presenters



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# Introduction

## **In this webinar we will cover:**

- Immediate steps you can take from home to begin updating your estate plan
- The key documents that protect yourself and your loved ones
- New features that could improve your revocable living trust
- How to coordinate your estate plan and business succession plan in these changing times
- Specific logistical challenges occurring now and how to address them

# What You Can Do From Home

## Locate relevant documents:

- Existing estate planning documents, if any
- Business agreements
- Marital agreements



# What You Can Do From Home



## Review existing documents:

- Confirm you have signed copies
- Confirm you have most recent copies
- Check date of documents
- Do you have a health care directive?

# What You Can Do From Home

## Update asset information:

- Create current asset list with approximate values
- Recent financial statements
- Gather copies of account statements, deeds, and other asset information

# What You Can Do From Home

## Consider:

- How would things play out if something happened to you or your spouse today?
- Who would handle your estate? Are these the right people?
- Who would inherit your assets, business and otherwise? When, if ever, would they have control of the inherited assets?



# What You Can Do From Home

## Letter of Instructions:

- Useful to your fiduciaries
- You can prepare any time
- Include:
  - Detailed instructions re assets and your wishes
  - Contact info -- key contacts
  - Digital asset information
- Not legally binding but very helpful

# What You Can Do From Home

## Prepare for meeting with EP attorney and other advisors:

- Request and complete preparatory materials (ex: estate planning worksheet)
- CPA or CFO for asset info
- Team approach best; check in with other key advisors

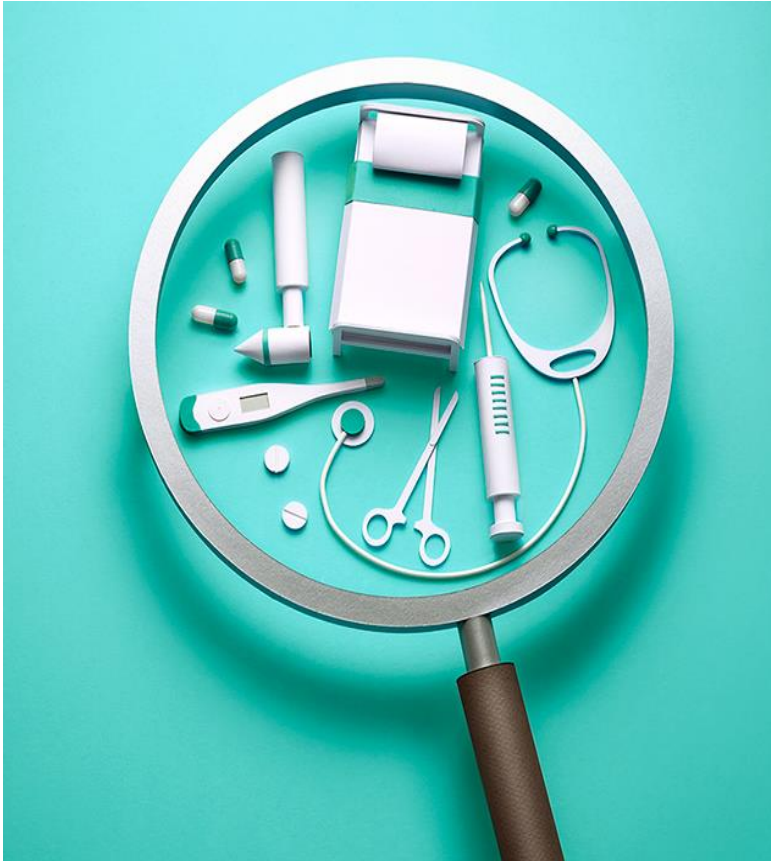


# A Complete Estate Plan

- Advance Health Care Directive
- Durable Power of Attorney
- Will
- Revocable Living Trust

**\*\*Be sure your trust is fully funded\*\***

# Advance Health Care Directive



- Wishes regarding health care
- Agents—who to choose?
- Give copies to agents and physicians and discuss with your agents

# General Durable Power of Attorney

- Allows your agent to “step in your shoes” for financial and other matters
- Choosing agents
- Logistics

# Will

- “Pours over” into a revocable living trust, or “stand-alone”
- Executors
- Guardians of minor children



# Revocable Living Trust

- Probate avoidance
- Privacy
- Tax planning
- Options for controlling disposition of assets
  - When do beneficiaries receive them?
  - How much control do they have?
- Importance of funding

# New Planning Strategies

Changes in tax law and clients' attitudes over recent years have led to changes in trust design.

You may wish to consider these changes for your own trust agreement.



# New Planning Strategies

Factors leading to new strategies:

- Increase in estate tax exemption- currently \$11.58M per person, but Congress can reduce the amount
- “Portability” of exemption to surviving spouse

# New Planning Strategies

**\*\*FLEXIBILITY\*\*  
IS THE NAME OF THE GAME.**



# New Planning Strategies

## Options for trust design for married couples now include:

- Traditional bypass / credit trust for first to die's estate
- Marital or QTIP trust
- Surviving spouse has option to choose either approach, or both
- All to surviving spouse outright

# New Planning Strategies

**More parents choosing to hold assets in trust longer for their children, including lifetime trusts**

- Provides safety net for child
- Asset protection features
- Segregates separate property inheritance
- Avoids estate tax in child's estate
- Involves GST planning

# Coordinate Estate/Business Plans

## Identify key players in your personal estate plan and your business succession plan

- Will these key players work well together? (also, alternates)
- Too much responsibility on one person?
- May need to rearrange roles or spread out tasks

# Coordinate Estate/Business Plans

**Will your spouse, adult children, or other successor need support to manage your business interest?**

- Identify person(s) to help and establish relationship now
- Introduce spouse or successor to current key advisors
- Work with business consultants now to plan for smooth transition?

# Coordinate Estate/Business Plans

## How will the business be impacted by your estate plan?

- Given who will inherit your interest, what change to control of the business?
- Acceptable change?
- Need to discuss with co-owners?
- Are current business agreements consistent with your wishes?
- Need to update agreements?

# Coordinate Estate/Business Plans

## How will your family be impacted by your estate and business plans?

- Will their needs be met?
- Should inheritance be outright or in trust?
- When, if ever, should beneficiaries have a say in control of business?
- Any education or family discussions needed to prepare?



# Coordinate Estate/Business Plans

**What do you think is fair when it comes to inheriting your business interest?**

- Equal shares to next generation?
- More equity to children active in business, or more control to them?
- More to children active in business with make-up assets to others?
- People's views vary, so discuss

# Logistics

- Process overview: Planning meeting, drafts, signing
- Detailed process – documents must be flexible enough to cover many different scenarios that could arise

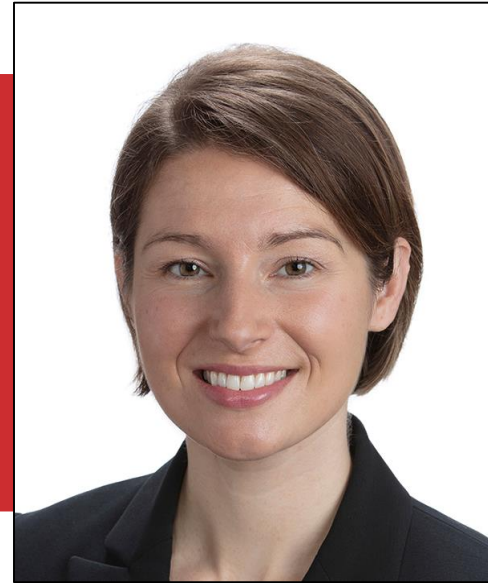
# Logistics

- Signing formalities required by law
- Signing options:
  - Drive up signings
  - Mobile notaries
  - Delayed notarization/witness acknowledgement
- New emergency procedures may become available

# Questions?



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**Thank you  
Kay Brooks and  
Allison Pedrazzi,  
Weintraub Tobin**



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Peeking into the Future: What We  
Expect in a Post COVID-19 Environment  
Wednesday, May 13, 2020 at 2:00 PM

For more information  
about the Family Business  
Center/Membership

<https://capfamilybus.org/>

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