

Estate Guide



# Effective Estate Planning

## 7 COMMON & COSTLY ESTATE PLANNING MISTAKES AND HOW TO AVOID THEM



Plan Smarter. Dream Bigger.



## Planning for the Future

Estate planning is one of those things most people mean to get around to—until it's too late. And when it's done poorly—or not at all—the fallout can be devastating. Families are left scrambling, assets are tied up or lost, and what should be a legacy of love becomes a legal and financial mess.

As a second-generation estate planning attorney, Kent Phelps has seen how even well-meaning families can end up in turmoil without the right planning. After years in litigation, Kent shifted his focus to helping clients avoid the mistakes that lead to these preventable outcomes.

This guide walks you through the most common estate planning missteps—and how to avoid them—so your family doesn't become the next cautionary tale.

### Important Notice:

These materials are for informational and educational purposes and are not designed, nor intended, to apply to any person's individual circumstances. It does not take into account the specific investment objectives, tax and financial condition, or particular needs of any specific person. Please consult with your legal and/or tax advisor before making any tax-related decisions.

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## *How to use this guide*

*This guide is designed to help you spot and avoid the most common estate planning mistakes before they become costly problems. Each section focuses on a specific issue. You can read it straight through or jump to the sections that apply to your situation.*

*You don't need a legal background to understand it. Whether you're creating a plan or updating one, use these insights to make clearer, more confident decisions that protect your legacy and your loved ones.*





## COSTLY MISTAKE #1

# AGE BASED DISTRIBUTIONS



I am often asked by my clients, “When (after my death) should my children get my money? And how much is enough?” The answers to these questions depend entirely on what you want to have happen.

*You probably know your child the best and foresee problems before they arise, such as:*



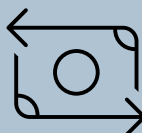
### **Divorce**

Your child receives their inheritance, co-mingles it with their marital accounts, and ends up getting divorced. Your child’s ex-spouse takes a portion of your money in the divorce.



### **Spendthrift**

After receiving your wealth, your child quits their job and goes on a spending binge with your money.



### **Bankruptcy**

Your child files bankruptcy just prior to or sometime after your death. Distributions of your money to your child are intercepted by the bankruptcy trustee and distributed to creditors.



### **Addiction**

Your child receives their inheritance and uses your money to feed a drug, alcohol, or gambling addiction.



### **Medical Catastrophe**

Your child, son or daughter-in-law, or grandchild develop a major medical condition that results in significant medical expenses. The medical creditors take your money away from your child to satisfy the medical expense debt.



### **Criminal Conviction**

Your child is convicted of criminal conduct. The court takes your money to satisfy a restitution order.



### **Disability**

Your child develops a physical, mental, or emotional disability and qualifies for government disability benefits. Receiving distributions from your estate disqualifies your child from receiving their government benefits.



### **Lawsuit**

Your child is a defendant in a lawsuit and the plaintiff obtains a judgment against them. Your child's judgment creditor obtains a court order permitting them to take your money away from your child to satisfy the judgment.



### **IRS**

Your child gets behind in their taxes. The IRS garnishes your child's assets, including assets your child inherited from you.



### **Financial Aid**

Your child pursues a college education and would have otherwise qualified for financial aid; however, receiving distributions from your estate disqualifies your child from receiving the financial aid.



### **Vulnerable Adult**

Your child is susceptible to predators who take advantage, or perhaps suffers from a mental or emotional disorder. In a naive attempt to help out, or to buy friendship, your child gives your money away to predators as unintended beneficiaries of your estate.



## Real Life Example:

### *Out of Control*

I have a client who many years ago was appointed to be trustee of his grandparents' trust because his grandparents and his parents had passed away. My client was very responsible and financially savvy at a young age. His uncle was a beneficiary of the trust and had substance abuse problems.

The trust required my client as trustee to distribute all of the uncle's share of the trust to him "outright and free of trust" after a certain age, which the uncle had achieved. My client refused, knowing that if he wrote the uncle a check, he would be dead in a month. The way the trust was written, however, the trustee had no discretion to withhold the distribution from the uncle once he achieved a certain age. The uncle "lawyered up" and forced my client to make the distribution. Weeks later, the uncle was dead.



## Real Life Example:

### *\$1 Million Down The Drain*

A prospective client met with a colleague of mine seeking advice concerning what rights his creditors may have against a trust his mother left him. He explained that he was the sole beneficiary of his recently deceased mother's trust but had recently filed bankruptcy. He stood to inherit over \$1 million through the trust and wanted to know if the trust protected his \$1 million inheritance from his creditors in bankruptcy.

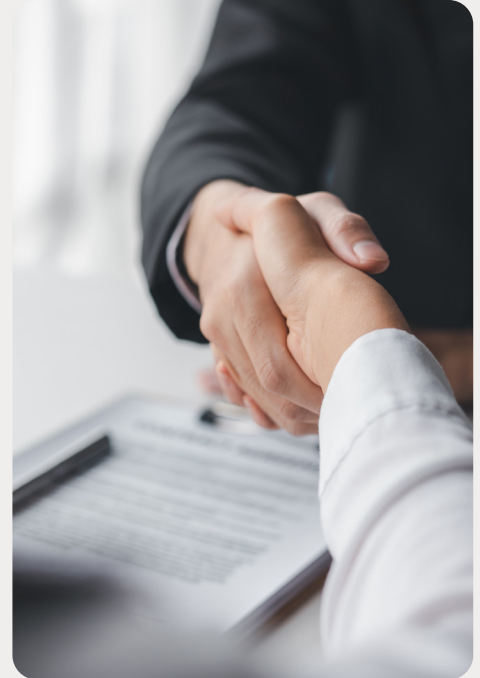
As my colleague reviewed the trust, he was happy to see a "Spendthrift Clause", which may prevent a beneficiary from assigning his rights in a trust to a creditor. However, the trust document also contained language that trustee "shall" distribute all trust assets to the beneficiary once the beneficiary reached age 45. The beneficiary was 48.

My colleague had to advise the beneficiary that because the trustee was required to distribute funds after the 45th birthday, the trustee would be compelled by the bankruptcy court to distribute the \$1 million to the beneficiary free of trust, thus making it available to the creditors. Sadly, that is exactly what happened, and mother's money was intercepted by the unintended beneficiaries of her trust - her son's creditors.

# THE FIX

## DISCRETIONARY TRUST

Can your money be rescued from your heirs' crisis events before they happen? Absolutely! I advise most of my clients to have a "discretionary distribution" trust, rather than an age based "mandatory distribution" trust. This type of trust provides the trustee with flexibility to evaluate a beneficiary's situation and, if the beneficiary is in trouble, to withhold distributions - no matter what the beneficiary's age. During the crisis, the trustee may still make payments to third parties for the beneficiary's benefit that will help the beneficiary, such as paying for rehab, paying the light bill and mortgage, or paying medical providers. Then, after the storm blows over, the trustee may resume making distributions in amounts deemed appropriate in the trustee's discretion.



Properly drafting a "Discretionary Trust" versus an "age-based mandatory distribution trust" is much more involved than simply changing the words "shall distribute at age 30" to "may distribute at age 30." The entire structure of the trust, like the Constitution of the United States, must be drafted with proper checks and balances. A well drafted trust must allow a trustee, which serves as the "Executive Branch" of the Trust, discretion to distribute or not to distribute trust assets to a beneficiary based on circumstances. At the same time, provisions must exist to prevent a trustee from abusing that discretion. The trust must also account for the fact that the beneficiary and the trustee may very likely be the same person.



## LETTER OF WISHES

If you do have preferences about children receiving certain amounts at certain ages, or if you want to reward certain behavior (like graduating from college or starting a business), then it is better to do so in what is called a “Statement of Wishes.” This is a “precatory” (defined as “of, relating to, or expressing a wish or request”) non-binding instruction from you to the trustee that will give the trustee guidance, but it is suggestive only and not binding on the trustee.

*If you are unsure whether your trust is a Discretionary Trust, call or email us to schedule an appointment with an attorney. We will perform a complimentary review on your trust and provide honest feedback.*

## COSTLY MISTAKE #2

# PUTTING CHILDREN ON YOUR ACCOUNTS



I have seen people, in an attempt to avoid the expense of implementing an estate plan, will make their children joint owners on their bank and investment accounts. I have also seen them put their children on the deeds to their homes. They do this so that if something happens to them, their children will have immediate access to the account without having to go to court.

The obvious problem is that if the child is not trustworthy or becomes desperate, they can empty your bank account. Let's assume however, that the child is trustworthy and would never do that. There are multiple less obvious problems with this solution.

## **YOUR CHILD'S CREDITORS ARE NOW YOUR CREDITORS**

First, your child's creditors are now your creditors! If your child defaults on a debt obligation, your account can be seized. If your child files bankruptcy, the bankruptcy trustee can take control of your account. If your child is late paying their taxes the IRS can garnish your bank account. If your child has a falling out with a business partner or is in a car accident and a judgment is obtained against them, the judgment creditor can take your account.

I have a client who put her daughter on her bank account as a simple way to ensure the account could be accessed if something happened to my client. The daughter subsequently defaulted on a home equity line of credit and the credit union that held the loan garnished my client's bank account.

This should be reason enough not to use this method as a substitute for having an estate plan, but there are others.

## **TAX CONSEQUENCES**

Making your child an owner on your accounts may be considered a taxable gift. Depending upon the balance in the accounts, it could have adverse tax consequences to you, your child, or your other children.

## **FAMILY CONSEQUENCES**

While you may trust your child to share the cash in these accounts equally with their siblings, they have no legal obligation to do so if you become incapacitated, or after your death. If they do not carry out your wishes it could result in, at the least, bad feelings in the family, or worse, a lawsuit.

## **THE FIXES**

### **1. GENERAL POWER OF ATTORNEY**

By executing a general power of attorney you can give authority to your children (or whomever you want) during your lifetime over your finances without giving them ownership of your accounts. A properly drafted power of attorney will allow them to continue to pay your bills and make sure your financial needs are met if you become incapacitated. In a power of attorney you are referred to as “principal” and the person you designate as your “attorney in fact” is referred to as “agent.”

There are also options to protect you from your agent acting without your authority. The first is to have a “springing” power of attorney. This means the power of attorney is not effective until a condition is met, such as your physician stating in writing that you are no longer capable of managing your affairs. Until that time, the power of attorney is of no effect.

The second option is a general power of attorney that is effective immediately. This document is in effect as soon as you sign it. This is more convenient as there is no need to establish your incapacity. However, in the wrong hands it can do serious damage. I typically recommend a power of attorney that is

effective immediately. I advise my clients to keep it somewhere safe but accessible and only release it to one of the agents listed if certain conditions are met.

## 2. REVOCABLE LIVING TRUST

We will discuss this solution further in the next section. It is worth mentioning here however, as a general power of attorney has few protections and expires on your death. In addition to a power of attorney, you can utilize a revocable living trust as a way to give your children (or whomever you want) instructions for and authority over your property as desired without the adverse consequences discussed above.

You may designate your child now as your co-trustee, giving them access to your accounts without exposing your property to their creditors or adverse tax consequences. I have some clients who are sharp mentally but in their later years prefer to hand over the day to day finances to their children. This is an effective way to do it without the downsides mentioned above.

You may designate your child as your successor trustee, giving them authority over your property only upon your incapacity or death. The beauty of the revocable living trust is that this all occurs outside of court. Your children show the trust documents to the bank, title company, brokerage custodian, or whomever, and become trustees with authority to carry out your instructions regarding your property.







*I invite you to call or email us to get on our calendar for a complimentary meeting to discuss implementing a power of attorney and revocable living trust.*

### **COSTLY MISTAKE #3**

# HAVING A WILL AND THINKING YOU'RE DONE



## **Probate**

Probate has been defined tongue in cheek as “a lawsuit you file against yourself after you die with your own money for the benefit of your creditors.” **YOUR WILL DOES NOT AVOID PROBATE!** On the contrary, if you have a will, the original must be filed with the court and judged to be authentic and valid under state law.

**There are six primary negative aspects to putting your heirs through the probate system:**

### *Loss of Control*

Instead of administering your estate within the family, your heirs must now hire a judge to oversee the administration of your estate within the court system. While you do designate a personal representative (this is what we call the “executor” in Arizona) in your will, the personal representative operates under the supervision of and must report to the judge.

### *Delay*

The average probate takes about 18 months to resolve. While the time a probate takes to conclude depends upon many factors, the fact remains that you are competing with all the other matters on the judge’s docket for time and attention. You are at the mercy of the court.

### *Loss of Privacy*

The documents filed in a probate matter, including the final inventory of all of your assets, is public record. Yes, there are companies and individuals that make a living combing the public probate record looking for potential customers. Some of these are legitimate but pesky. Others are plain exploitative.

## *Cost*

Probate can be costly. Even if only one attorney is hired to assist the personal representative. With multiple attorneys involved, probate expenses can quickly get out of control. As demonstrated by Charles Dickens' novel, Bleak House, you don't want an estate plan where, at the end of the day, the lawyers are the only winners.

## *Family Conflict*

If you want to avoid disputes in your family, you do not want to force your family members into an adversarial process, which is what our court system is by its very design and nature. Also, "no contest provisions" (which disinherit a beneficiary who files a court action disputing your will) are typically unenforceable in a will. Such provisions, as well as alternative dispute resolution procedures such as mediation and arbitration, can be incorporated into a trust agreement.

## *No Protection*

With a will, a beneficiary will typically be entitled to receive their share of your estate if they are 18 or older. This means there will be no protection from all of the potential situations described in mistake #1. In the event the will does provide for staggered distributions based on age, the court will have to stay involved until all distributions are made.

# THE FIX

## REVOCABLE LIVING TRUST

Transferring your property to a revocable living trust will keep your estate out of court. The best way to understand a trust is to think of it as a contract between three parties – a trustmaker (also referred to as a settlor, trustor, or grantor), a trustee, and a beneficiary. Each has a specific role:



**Trustmaker** – The trustmaker is the creator of the trust and makes the rules. I like to refer to the trustmaker as the “legislative branch” of the trust. The trustmaker is also the one who transfers their property to the trust.



**Trustee** – The trustee is in charge of the trust and carries out the grantor’s instructions. The trustee enforces the rules of the trust. I refer to the trustee as the “executive branch” of the trust.



**Beneficiary** – The beneficiary has the best job of all. The beneficiary gets to enjoy the property of the trust. I refer to the beneficiary as the “citizen” of the trust.



With a typical revocable living trust structure, you (and your spouse if you are married) fill all three of these roles. You create the trust for your own benefit and remain in charge of your own assets. This means you maintain control and do not have to go to another person to get access to your own property. It also means that the IRS disregards this trust altogether, so you do not need to file a tax return for your trust. Your tax reporting obligations do not change. You can amend the trust any time to remove or add beneficiaries, change successor trustees, accommodate changes in the law, or generally make any other change to the trust you want.

## **Funding the Trust**

To be effective, the trust must be funded. Funding a trust refers to the process of transferring ownership of your property from your name to your trust. You need to transfer real estate, personal property, business interest, bank accounts, life insurance policies, stocks, CD's and investment accounts to the trust. Once an asset is transferred to the trust, it will avoid probate and enjoy the protections of the trust.



## All Trusts Are Not Created Equal

While every properly drafted revocable living trust can avoid probate, that is where the similarity between many revocable living trusts ends. *You should consider having a revocable living trust with provisions that do these things:*

### FIRST:

- Becomes irrevocable on death.
- Despite irrevocability on death, is flexible enough to allow changes to the trust to comply with changes in the law and replace bad trustees (Trust Protector provisions).
- Maximizes estate tax exemption of first spouse to die.
- Protects and provides for surviving spouse.

### SECOND:

- Discretionary provisions to protect your wealth from beneficiaries' creditors and other crisis events as discussed in Section 1.
- Provisions that ensure the trust does not have a built in expiration date.
- Tax provisions that remove the trust assets from the taxable estates of your children and heirs.
- Letter of Wishes to give your successor trustees your personal instructions and preferences for when distributions are made.
- Distribution of tangible personal property to designated recipients of your personal property like heirlooms, furniture, jewelry, guns, etc.
- Special needs provisions to ensure beneficiaries with special needs are not disqualified from receiving government benefits.
- Alternative dispute resolution procedures that allow for the efficient resolution of disputes out of court.
- No contest provision that disinherits a beneficiary or excluded person from suing to get more than what you intended them to get.

## COSTLY MISTAKE #4



# LIFE INSURANCE BENEFICIARY DESIGNATIONS

Most people come to me with life insurance policies personally owned that name their spouse as the primary beneficiary and their children as secondary beneficiaries. This structure can create a number of problems:

- Your children will get a large pay-out with no strings attached on their 18th birthday.
- If children are minors at the time of death, a conservatorship will have to be established through the court system and remain in place until the children turn 18.
- Life insurance distributions will be available to your adult children's creditors and unprotected from other crisis events your adult children may face, such as addictions or other personal dysfunction.
- Life insurance is included in your estate for estate tax purposes. Most people are under the impression that life insurance is tax-free. The death benefit paid from life insurance will be income tax-free, but depending upon your net worth and without proper planning, it may be subject to a 40% estate tax.



## **Real Life Example:**

### *A Life Insurance “No No!”*

A prospective client came to me some years ago after their parent had died with a life insurance policy that had a peculiar beneficiary designation. The parent had designated the beneficiary of her life insurance policy as “my estate.”

This had the effect of forcing the children into probate court to get the life insurance money! The children had to file a probate action and go through the probate process just to obtain the life insurance pay out. This was completely unnecessary and resulted in significant unnecessary waste of the child’s inheritance.

The odd thing in this case was that the parent had a trust. The whole ordeal could have been avoided by filling out a simple change of beneficiary form provided by the life insurance company and designating the trust as the beneficiary instead of the estate.



## THE FIX

If your net estate is below current estate tax exemptions (currently about \$12 million per person), simply making your properly drafted revocable living trust the beneficiary of your life insurance policies will resolve the issues raised above. This is done with a change of beneficiary form provided by your life insurance company.

If your life insurance death benefit puts you over the estate tax exemption, you should create an irrevocable life insurance trust (ILIT) and make it the owner and beneficiary of your life insurance. However, what we said about revocable living trusts is also true of ILIT's. They are not created equal. You will want an ILIT that gets the life insurance money to the people you want it to go to in a protected trust structure.



### COSTLY MISTAKE #5

## FAILURE TO FUND YOUR TRUST

A common mistake made by those who have a revocable living trust, is failure to fully fund it. Assets not transferred to the trust may have to be probated, even though you have a trust. This defeats one of the primary benefits of having a trust - avoiding probate.

Your estate plan is not complete until you have transferred ownership of your real estate, personal property, business interest,

bank accounts, life insurance policies, stocks, annuities and investment accounts to the trust. In my firm, we take care of the real estate transfers then help our clients complete the other funding items by keeping them on our calendar until the funding is complete. This ensures the funding gets done and the client's family enjoys all the benefits a trust can provide.

You should have a worksheet in your trust notebook that you can use to keep track of what assets you have transferred and when. You should also keep documentation proving the transfers were made (deeds, bank statements, change of beneficiary forms, assignments, etc.) with the worksheet.

## THE FIX

### **The “Pour-Over” Will: A Safety Net**

A good estate plan will always incorporate a “pour-over” will as a “Plan B” in case assets acquired after putting the trust into place were not transferred to the trust prior to death. Although the asset will have to be probated, the pour-over will directs the personal representative in the probate action to transfer probated assets into the trust. The judge will allow this.

Once the probate action is complete and all assets are in the trust under management by your successor trustee, your beneficiaries will enjoy the protections provided by the trust. While avoiding this scenario is preferred, it is wise to have the safety net in place as a backup.

If you already have a trust and need help funding it, call or email us to get on our calendar for a complimentary meeting where we can discuss how we can help you fund your trust.

## COSTLY MISTAKE #6



# FAILURE TO TRANSFER YOUR VALUES

Sometimes a client will say to me, “I don’t care what my kids do with the money when I’m gone – I’ll be dead!” As we talk through this topic however, the client comes to realize that while they may not care what their children do with their money, they do care what their children become as a result of the way they use the money.

I believe that you cannot separate the two. The way your children use your money can have a dramatic impact on who they ultimately become. Ignoring this fact can have unintended negative consequences and create dysfunction not just for your children, but for future generations.

We have all heard stories of lottery winners, athletes, Hollywood stars, and heirs to fortunes ruining their lives after coming into a large sum of money. You may be thinking, “but I don’t have as much as those people.” It is all relative. Inheriting \$100,000 can create as much opportunity for damage for one person as coming into \$100 Million for another.

Most cultures have a similar proverb: “Shirtsleeves to shirtsleeves in three generations.” This refers to the cycle families can experience, where no matter the dollar amounts involved, wealth is usually squandered in three generations. Squandered wealth and ruined lives are a choice, not an eventuality. With proper value-transfer planning, this cycle can be avoided.

# THE FIX

Giving meaning to your money beyond its purchasing power can have a tremendous positive impact on the type of people your children and heirs become. This broader understanding can prevent your wealth from being squandered. This topic alone is worthy of its own book so I address it only in summary fashion here.

Over the years I have given clients copies of the DVD, “The Ultimate Gift,” a movie about a young adult named Jason whose wealthy grandfather (played by James Garner) had just died. Jason thought his inheritance was going to be money, and lots of it. However, the grandfather structured his estate plan in such a way that before Jason could obtain any of his grandfather’s wealth, he had to come to appreciate 12 gifts. The list of gifts from the movie may be helpful for you as you **brainstorm what values you may want to transfer:**





If you watch the movie, you will notice the extensive planning and arrangements the grandfather and his attorney implemented to help the grandson become a responsible, contributing member of society. Your plan to incorporate your values does not have to be so rigid or elaborate.

## **Letter of Wishes**

I recommend my clients use the Letter of Wishes referenced earlier in this report to pass on their values to their loved ones and future generations. I have had clients use their Letter of Wishes to tell the story of how they struggled financially early in life and why they were ultimately able to achieve financial success. The Letter of Wishes has been used by my clients to convey love, family values, religious faith, educational values, financial instructions, and political beliefs.

The Letter of Wishes is a powerful – yet flexible – tool to use in your estate plan to convey values in a non-dogmatic fashion so the trustee can accommodate unforeseen changes in circumstances. It is also simple. You can write it out in your own handwriting at your leisure when you are ready. But do not procrastinate!

## **Family Meetings**

Many people think they are doing the right thing when they hide their wealth from their children and do not tell them how much they are going to get. They do this thinking that if they told them, their children might stop working or get complacent while they wait for mom and dad to die. This is a mistake and a good way to promote dysfunction and contention in the family after you are gone.

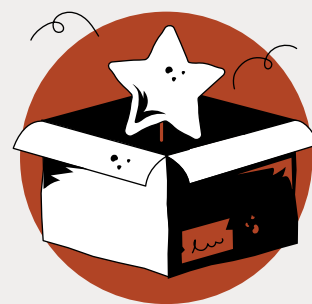


One of my favorite meetings is the family meeting. We get mom, dad, and all the children (as well as grown grandchildren) in one room and show them the asset base and the structure of the estate plan. My clients have held this meeting in my conference room, a private room at a restaurant over dinner, at their home, and as part of a family retreat in the mountains. We have found it very helpful in these meetings to have a visual diagram depicting the estate plan prepared as a hand out in order to make the plan more understandable. Questions and concerns are addressed openly and honestly during the meeting. It allows mom and dad to explain the reasons for their estate planning decisions and to put to rest any objections or concerns raised by the family.

Just like we are encouraged to talk to our children about sex, we should talk to our children – young and old – about money. Studies show the best approach is to turn all the cards face up. Giving your children some of their inheritance while you are alive to see how they do may also be a good idea.

## **COSTLY MISTAKE #7**

# UNNECESSARY GIFTING



When your net worth exceeds the estate tax exemptions congress gives us, you are a candidate for advanced estate planning, which can reduce or eliminate your exposure to estate tax. Many people with estate tax exposure are advised to reduce their taxable estate by gifting their wealth to their children.

### **Shortcomings of Traditional Gifting Strategies**

Gifting strategies usually involve the creation of a company often referred to as a “family limited partnership”. This tactic allows you to transfer your assets to the company, then give away a percentage of the company to your children. The general idea being that whatever percentage of the company (and therefore the assets owned by the company) you give away will not be included in your taxable estate and therefore not subject to estate tax.

If properly structured, you can retain management control over the assets in the company. This means you get to decide whether to buy or sell company assets, how the company assets are invested, and when distributions of income or principal from the company are made.

### **Economic Considerations**

The first question to ask yourself before committing to an aggressive gifting strategy is, “Do I want to give away my wealth?” You need to

understand that these are completed gifts. After gifting, you don't own the assets, your children do (or a trust you create for their benefit).

I've known of clients of other attorneys who, years later, expressed regret at giving away much of what they worked so hard for as a tax-avoidance strategy. If you adopt a gifting strategy, you need to be prepared – not only financially, but emotionally – to live with the consequences.

### **Loss of Distributions**

As mentioned above, if your family company is properly structured, you can maintain control over how the assets are managed and when distributions are made. What you lose however, is the right to receive distributions for the percentage gifted.

This means if you gift 99% of your family company interest to your children and a distribution of \$100,000 is made, you receive \$1,000 and your children receive \$99,000. If your distribution is not enough for you to live on, then the company must pay you a salary or you must rely on children to loan you money to make ends meet.

I recommend to my clients if they really want to gift, then by all means, do so! (If you are going to give a gift, it is better to give it with a warm hand than a cold one!) However, if you are letting the tax tail wag the dog and are only gifting to avoid estate taxes, then consider other alternatives.

## THE FIX

I tell my clients that the estate tax is a voluntary tax. You only pay it if you don't have the right plan. With proper planning, we can minimize or eliminate estate taxes. I advise my high net worth clients that giving it away is an option if they have a desire to gift, as it can be a powerful tool. But I also advise there are other options if they are not ready to give it away.



Instead of gifting to your children, assets can be transferred to a trust created for your benefit under the “grantor trust” rules found in the tax code. The trust is structured so that it is income taxed to you during your lifetime, but not subject to estate taxes on death. This tactic does not trigger transfer taxes, such as capital gains tax. You continue to control and enjoy the income and principal of the trust during your lifetime and your children get to enjoy your property after your death.

If properly structured, this all occurs through a trust that is not subject to the high trust tax rates during your lifetime or estate taxes on death. Also, because you did not use any of your lifetime gift tax exemption making gifts to your children, they will have your full estate tax exemption available to them at the time of your death.





Every estate plan should be as unique as the person it's built for. Whether your goal is to avoid probate, shield assets from creditors or unintended heirs, reduce estate taxes, or ensure your legacy has lasting impact, it's important not to leave the outcome to chance.

## **We're ready when you are**

**The next step is simple. Contact us to schedule a conversation. We will listen to your goals, explain how we can help, and provide a clear, flat-fee quote with no surprises.**

**CALL 1 (800) 838-3079**



About the Author:

## **Kent Phelps, Attorney**

Kent Phelps is a second-generation estate planning attorney with over 25 years of experience. He's the co-founder of Trajan Estate in Arizona and Utah, and founder of Estate Lawyers PLLC, serving clients in other states.

Kent's mission is simple: Deliver exceptional legal planning with a customized, client-first approach. His team uses a flat-fee billing model, systemized processes, and personalized service to eliminate surprises and enhance the client experience. Clients also benefit from integrated financial planning through Trajan Wealth, with both legal and fiduciary services offered under one roof.

A recognized authority in estate planning, Kent has been featured on ABC, NBC, FOX News, and Bloomberg Law. He earned his Juris Doctorate from the University of the Pacific.



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## **WEALTH**

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