

State of Michigan Department of Civil Service

Estate Planning

Estate Planning

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Overview

- What is Estate Planning?
- Why Plan Your Estate?
- When Should You Plan?
- How Do You Plan?
- Who Will Act on Your Behalf?

What is Estate Planning?

- Lifetime Planning
 - Financial Planning
- Disability
- Death

Most Common Documents

- Durable Power of Attorney
- Healthcare Power of Attorney
 - Living Will
 - Anatomical Gift
- Will
- Revocable Living Trust

Probate

- A legal process, under the jurisdiction of the Probate Court, which serves to provide for the distribution of property of a decedent at death
 - By the terms of the decedent's Will; or
 - By intestate succession
- Expense
- Possible publicity

Revocable Living Trust

- Probate Avoidance
- Control
 - Lifetime
 - Testamentary
- Tax Reduction
- Cost Saving

Types of Assets

- Bank Accounts
- Investments
- Real Estate
- Personal Property
- Retirement Benefits
- Insurance
- Business Interests

Titling of Assets

- Sole Ownership
- Beneficiary Designation
- Joint Tenancy
- Tenancy by the Entireties
- Tenancy in Common
- Trust

Most Common Errors

- No Plan at All
- Failure to Coordinate Title and Documents
- Improper Beneficiary Designations
- Inadequate Monitoring

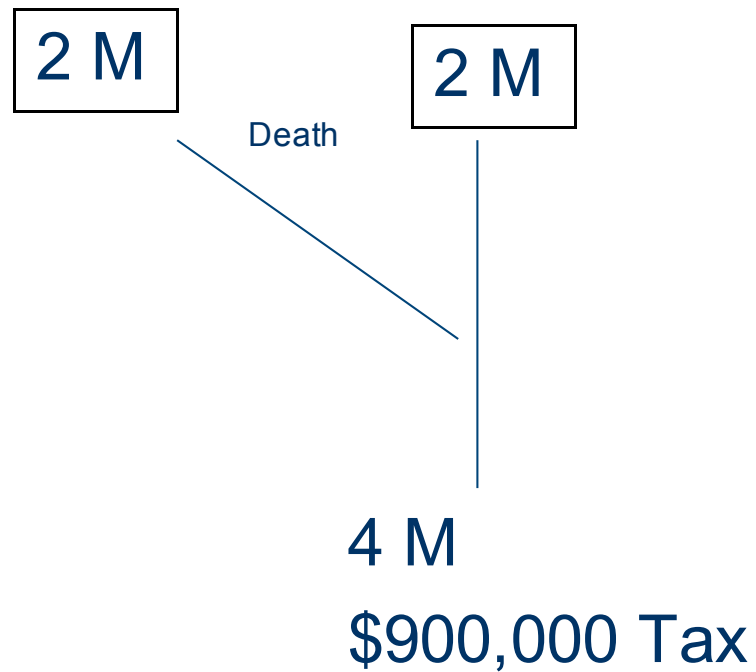
Special Concerns

- Tax Planning
 - Estate Tax
 - Gift Tax
 - Income Tax
- Second Marriage
- Problem Beneficiaries
- Retirement Plan Assets
- Special Needs Child
- Long Term Care Needs

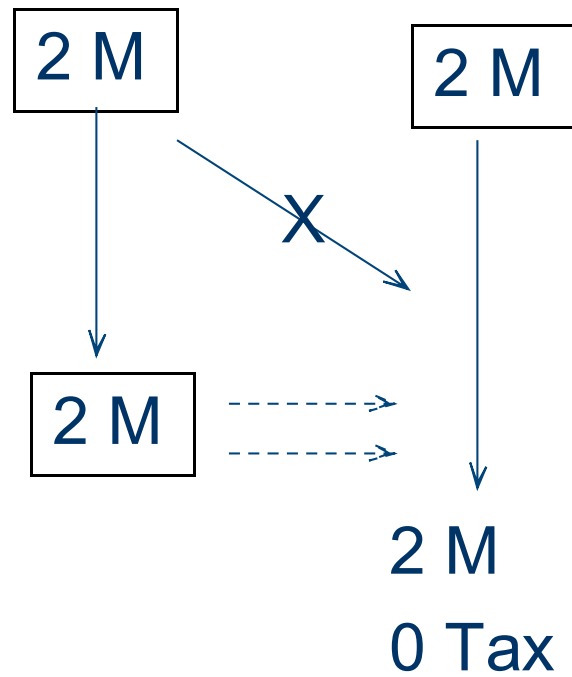
Review Your Plan

- Marriage
- Birth
- Illness
- Death
- Inheritance
- Divorce
- Tax Law Change

Tax Planning



Tax Planning



Second Marriage

- Planning for Spouse
Planning for Children
Blending these Goals
- Planning is Crucial
 - What do the parties want?
 - What do the parties need?
- Inadvertent Disinheritance of Children
- Trust Provisions
- Prenuptial Agreement

Trustees

- Duties
 - Record Keeping
 - Accountings
 - Investments
 - Tax Returns (income tax – estate tax)
 - Legal Issues
 - Exercise of Discretion

Trustees

- Who is Best Suited for this Role?
 - Spouse
 - Children
 - Friend or Relative
 - Corporate Trustee
 - Co-Trustees

Is Your Plan Current?

Consult with an estate planning professional to determine the most appropriate estate plan to meet your needs