

# WHAT IS CALIFORNIA ESTATE PLANNING?

*“Estate planning is a comprehensive, ongoing process. When you plan your estate, you make sure that your loved ones receive inheritances after you pass away. In addition to this, you should prepare for the eventualities that you may face toward the end of your life.”*



We will look at the anatomy of a typical estate plan in this paper.

## **Last Wills & Revocable Living Trusts**

Many people immediately think about last wills when the subject of estate planning comes up. Indeed, you can use a last will to state your wishes regarding the distribution of your assets after you pass away.

However, you have other options, and a last will is not always the best choice. Even if you do not have a complicated situation, you should understand the fact that your estate must go through probate if you use a last will.

In the will, you would name an executor. This is the person who would handle the estate administration tasks. Before assets could be distributed to your loved ones, the executor would be required to admit the will to probate.

The probate court would subsequently supervise the administration of the estate. This process is time-consuming; it can take close to a year, even if the case is simple and straightforward. You probably want your loved ones to receive their inheritances in a more timely manner.

In addition to the time lag, there are also expenses that can pile up during probate, and this is money that would have otherwise gone to your family members.

If you were to use a revocable living trust as an alternative to a last will, the trustee that you name could distribute assets to your loved ones after your

passing outside of probate. As a result, resources could get into their hands in a more timely manner.

## **Advanced Asset Transfer Techniques**

There are more advanced asset transfer techniques that can be utilized if certain circumstances exist. High net worth individuals may be subject to the federal estate tax. If your estate is worth more than \$5.43 million in 2015, you are faced with estate tax exposure.

It is possible to implement tax efficiency strategies to mitigate the tax burden.

Asset protection can be a concern for some people. There are estate planning tools that can be utilized to protect assets from creditors and claimants.

If you have a family member with special needs, you have to be concerned about the preservation of need-based government benefits like Medicaid and Supplemental Security Income. You can use a special needs trust to provide for a loved one with a disability without jeopardizing government benefits.

These are just a handful of the scenarios that can be addressed through the utilization of advanced asset transfer techniques.

## **Incapacity Planning**

A well constructed estate plan will also include an incapacity planning component. Many elders do become incapacitated late in their lives, and sound

decision-making can become impossible.

Your incapacity plan should also include a living will. This type of will does not have anything to do with financial matters. A living will is used to record your preferences with regard to the use of life-support if you were unable to communicate while in a terminal condition.

## **Summary**

Estate planning is a must for all responsible adults. When you plan your estate, you make sure that your loved ones are appropriately provided for after you pass away.

There are various different ways to get assets into the hands of your loved ones. The optimal course of action will depend upon the circumstances. You should understand the facts and act in an informed manner so that you can facilitate effective postmortem asset transfers.

Your estate plan should also account for the possibility of latter life incapacity, because many seniors become unable to handle all of their own affairs at some point in time.

If you are currently going through life without an estate plan, action is required. The logical first step would be to discuss your unique situation with a licensed estate planning attorney.

## References

American Bar Association

[http://www.americanbar.org/groups/real\\_property\\_trust\\_estate/resources/estate\\_planning.html](http://www.americanbar.org/groups/real_property_trust_estate/resources/estate_planning.html)

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## About the Author



Attorney Caprice L. Collins is a top rated Harvard Law School graduate. She has 34 years of legal experience with a successful law practice devoted exclusively to Estate/Business Planning and Trust Administration. Attorney Collins is a well-respected keynote speaker on Wills, Living Trusts, Estate Planning, Business Planning and Trust Administration. She has appeared on California's Real Estate Radio Station KTLK AM 1150 as a legal expert on Estate Planning and Living Trusts among many other notable media appearances.

Attorney Collins has substantial experience in Estate Planning for high net worth individuals using Family Limited Partnerships and other business entities to provide Asset Protection to their families. She has assisted organizations in their fundraising efforts by authorizing articles for their publications and conducting free seminars to their donors on advance Estate Planning Strategies such as Charitable Remainder Trusts, Family Living Partnerships, Irrevocable Life Insurance Trusts and Qualified Personal Residence Trusts. She also provides FREE Seminars on Living Trusts, Asset Protection and Business Planning to civic, faith-based, professional and business organizations.

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