## NEVER TOO LATE: WILLS, TRUSTS AND THE ART OF WEALTH TRANSFER FOR THE YOUNG AT HEART

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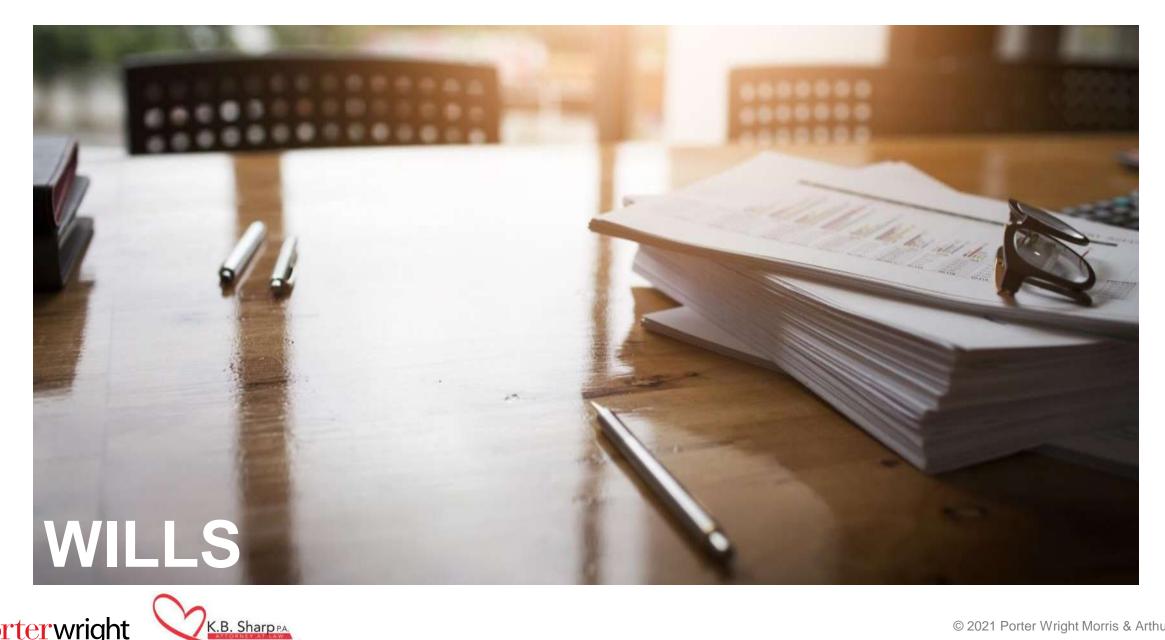


## **ESTATE PLANNING TOOL KIT**

- WILLS
- REVOCABLE TRUSTS
- JOINT OWNERSHIP
- BENEFICIARY DESIGNATIONS
- IRREVOCABLE TRUSTS
- FAMILY BUSINESS ENTITIES











## **ADVANTAGES OF WILLS**

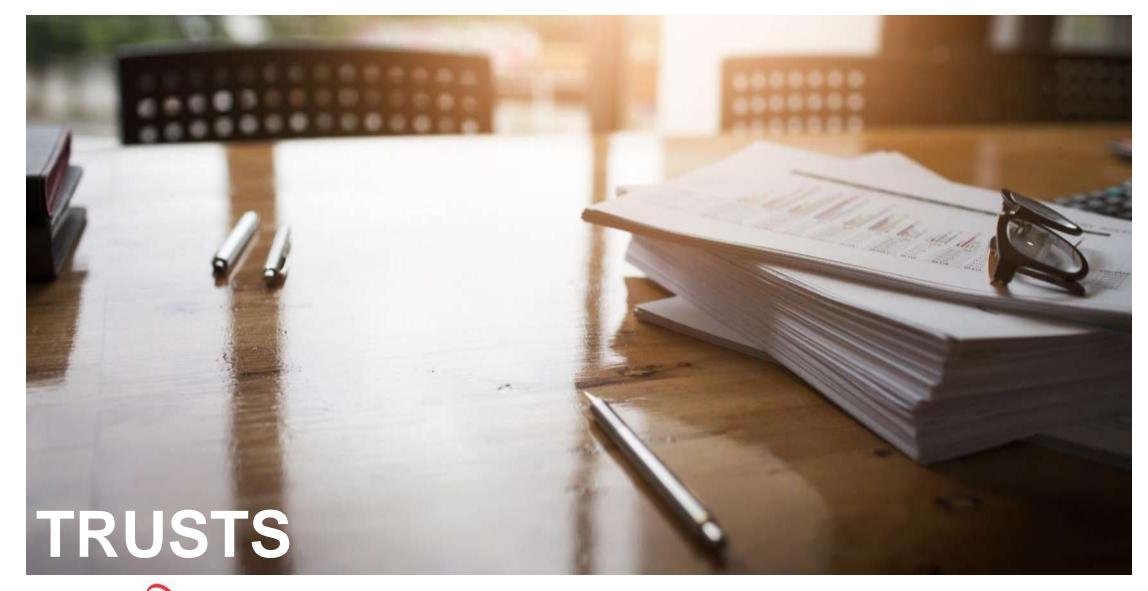
- Avoids intestacy
- Can benefit anyone of your choice
- Can place conditions on gifts
- Names a personal representative
- Allows you to determine the PR's powers
- Can be changed during lifetime



## **DISADVANTAGES OF WILLS**

- Must be filed with the Clerk of the Court
- Requires probate administration
- Information can become public
- Personal representative must be a Florida resident or a close relative





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## **ADVANTAGES OF REVOCABLE TRUSTS**

- Avoids intestacy
- Can benefit anyone of your choice
- Can place conditions on gifts
- Names a Trustee
- Can expand or limit Trustee powers
- Avoids or minimizes need for probate and guardianship
- Can be changed during lifetime
- Not treated as a separate taxable entity

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## **DISADVANTAGES OF REVOCABLE TRUSTS**

- Must be funded during lifetime to be of benefit
- You still need a Will
- Does NOT avoid estate taxes
- No judicial supervision of the Trustee



## **JOINT OWNERSHIP**





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## **TYPES OF JOINT OWNERSHIP**

- Tenancies in common
- Joint tenancy with rights of survivorship
- Tenancy by the entireties





## ADVANTAGES OF JOINT OWNERSHIP

- Avoids intestacy and probate
- Can create joint ownership with anyone of your choice
- Generally inexpensive to create
- Can be established when taking title to property
- Easy to administer upon death



## DISADVANTAGES OF JOINT OWNERSHIP

- Not easy to change
- All owners are responsible
- No one owner can act alone
- Difficult to place conditions
- Costly if there are disagreements



## **BENEFICIARY DESIGNATIONS**





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#### PROPERTY THAT CAN BE BENEFICIARY DESIGNATED

- Life insurance
- Retirement benefits
- Bank or investment accounts



#### ADVANTAGES OF BENEFICIARY DESIGNATIONS

- Avoids intestacy and probate
- Designate a beneficiary of your choice
- Generally inexpensive to create
- Easy to change
- Can and should be established when creating the account or policy
  - Easy to administer upon death

K.B. Sharppa

#### DISADVANTAGES OF BENEFICIARY DESIGNATIONS

- Difficult to place conditions on the gift
- Must be received and processed by the custodian
- Must be maintained by the custodian
- For ERISA benefits, may require spousal consent
- Qualified benefits may be subject to other requirements



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# **IRREVOCABLE TRUSTS**





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## **ADVANTAGES OF IRREVOCABLE TRUSTS**

- Avoids intestacy and probate
- Can benefit anyone of your choice
- Can place conditions on gifts
- Names a Trustee
- Can expand or limit Trustee powers
- Can be used for tax planning

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## **DISADVANTAGES OF TRUSTS**

- Must be funded during lifetime to be of benefit
- You generally cannot retain any benefit or access funds
- Cumbersome to make changes
- Trustee has statutory responsibilities and duties
- Often separate taxable entities
- May have associated ongoing expenses

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# FAMILY BUSINESS ENTITIES





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## **TYPES OF FAMILY BUSINESS ENTITIES**

- Family limited partnerships
- Limited liability companies
- Family corporations
- Family trust companies





#### ADVANTAGES OF FAMILY BUSINESS ENTITIES

- Older family members can give economic interests to younger members while retaining control
- Can protect family members from third parties, creditors
- Keeps assets within the family
- Can create clear guidelines for management of property
- Can give family members options to purchase or sell
- Can be used for tax planning



#### DISADVANTAGES OF FAMILY BUSINESS ENTITIES

- Complex structures; expensive to create and maintain
- Must be registered with the state
- Requires proper documentation and must be managed according to formalities
- Cumbersome to make changes
- Managers and officers have responsibilities and duties to members



#### **THANK YOU!**



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