

Are Your Assets Titled Appropriately For Your Estate Plan?

Presented by:
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SENIOR VICE PRESIDENT
TRUST MANAGER**



**JENNIFER ROHRER, CTFA, AFIM
VICE PRESIDENT-PERSONAL TRUSTS**



Hilltop
National
Bank
Trust &
Financial
Services



- Bank chartered 1964
- Trust Department chartered 1984
- Full service Trust Department
- 18 employees

Hilltop National Bank Trust Officers



LINDA JOHNSTON, CSOP
OPERATIONS MANAGER



GARY PEHRSON, CRSP
VICE PRESIDENT



RANDALL CARNAHAN, J.D.
ASSISTANT VICE PRESIDENT



SHARON DARR, AFIM
VICE PRESIDENT



CASSIE SHOGREN, CTFA
ASSISTANT VICE PRESIDENT



DIANE BESSERT, FSS, LUTCF
TRUST OFFICER



KATE MAXWELL
TRUST OFFICER

ESTATE



- House
- 401 (k) Plan / IRA
- Bank Accounts
- Certificates of Deposit (CD's)
- Investments
 - Stocks
 - Bonds
 - Mutual Funds
- Life Insurance Policies
- Mineral Interests
- Digital Assets
- Personal Property
 - Car
 - Jewelry
 - Furniture
 - Keepsakes

Why Is Asset Titling Important?



- Determines property rights during lifetime
- Determines how, when, and who will inherit property at death

Types of Asset Titling



- Sole Ownership
 - Sole title to the property
 - Distributes at death per the terms of Will, if no Will, State Statutes determine
 - Subject to probate

Testate (Valid Will)

At Death –
Probate Estate



- Public Process
- Will filed with Court
- Personal Representative Named in Will
Court Appointed
Individual or Corporate
WY PR must be in WY
- Asset Inventory
- Appraised
- Notice to creditors published 90 days
- Income and Expenses
- Public notice of personal property estate sale/Court approval/auction
- Court approval of real estate sales
- Final Tax Returns
- Final disposition to beneficiaries approved by court
- Probate Fees – Set by Statute
- Lengthy Process

Florence “Flo-Jo” Joyner died unexpectedly and no one knew where she kept her Will, which fueled a family feud. After years of fighting, the court appointed a neutral executor who settled the estate four years after her death.



Intestate (No Will)

At Death –
Probate Estate



- Public Process
- State Statutes Dictate, 60 days to dispute
- Personal Representative – **Court Appointed** – Individual or Corporate
WY PR must be in WY
- Asset Inventory
- Appraised
- Notice to creditors published 90 days
- Income and Expenses
- Public notice of personal property estate sale/Court approval/auction
- Court approval of real estate sales
- Final Tax Returns
- **Final disposition to beneficiaries approved by court per State Statutes**
- Probate Fees –Set by Statutes
- Lengthy Process

Intestate (No Will)

Wyoming State Statutes



- If spouse and children
 - ½ spouse ½ children or their descendants
- If spouse and no children
 - 100% to spouse
- No spouse
 - 100% to children or their descendants
- No children or spouse
 - Father, mother, brothers and sisters or descendants of brothers and sisters
- No father, mother, brothers, or sisters
 - Grandparents, aunts and uncles or their descendants

Sample Timeline



- Notice of order admitting Will to probate
 - 3 consecutive weeks
- 90 days to contest
- 90 days creditor claims
- 120 day inventory filed with court
- Notice of Public Sale
 - 3 consecutive weeks
- All notices to Heirs 10 days
- Court approval required for all sales of real or personal property

Probate Fees



Pay to both Personal Representative & Estate Attorney

\$1,000 @ 10%

\$1,000-\$5,000 @ 5%

\$5,000-\$20,000 @ 3%

\$20,000+ @ 2%

Example: \$500,000 Estate

Attorney	\$10,350
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Personal Representative	\$10,350
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A number of surveys over the last few years have reported that anywhere from 55-65% of Americans have not yet written their Wills.

8.6% of Americans had a Will but it was out-of-date.

Whitney Houston died with a 20 year old Will. She left all her assets to her daughter, who at the time of her passing was struggling with substance abuse.





Simplified Process

If Estate under \$200,000

Types of Asset Titling



- Joint Tenancy with Rights of Survivorship
 - Equally owned by two or more
 - Distributes at death to the surviving owners
 - Allows immediate access without cost and delays of probate
 - Assets not available to pay final expenses
 - Each owner has complete access during lifetime
 - During lifetime subject to creditors

Types of Asset Titling



- Tenancy in Common
 - May have equal or unequal ownership, by two or more
 - Decedent's share distributes at death to his/her estate
 - Subject to probate
 - No survivorship feature
 - Each owner may dispose of their share during lifetime

Types of Asset Titling



- Tenancy by the Entirety
 - Joint ownership between spouses
 - Distributes at death to the surviving spouse
 - Avoids probate
 - Not all states recognize
 - Neither spouse can dispose of the property without mutual consent
 - Provides some creditor protection

Types of Asset Titling



- Community Property
 - Income earned and assets acquired after marriage are considered community assets owned 50% each
 - Decedent's share distributes at death to his/her estate or may be owned jointly with rights of survivorship
 - Each spouse owns an interest regardless of who acquired the asset

Community property states: AZ, CA, ID, LA, NV, NM, TX, WA & WI. Opt-in states: AK, TN.

Types of Asset Titling



- Revocable Trust
 - Owned by the trust
 - Distributes at death per the terms of the document
 - Avoids probate
 - Ability to tailor to your needs
 - Provides during your life, incapacity and death

Types of Beneficiary Designation



Type

Beneficiary Designation

Transfer-on-death/payable-on-death (TOD/POD)

Beneficiary Deeds (transfer on death deeds)

Property

Forms often provided for Life Insurance, Annuities, and Retirement Plans

Checking, Savings, Investments, etc.

Real Estate

Distribution at Death

Passes to named beneficiary(s). Failure to execute typically will default to the estate.

Passes to named beneficiary(s).

Passes to named beneficiary(s).

Avoid Probate

Yes

Yes

Yes

TRUSTS



Revocable

- Living Trusts
 - Amendable

Irrevocable

- InterVivos
 - (During Life)
- Testamentary
 - (At Death under Will)

Trust Document = Detailed Instructions

TRUSTS

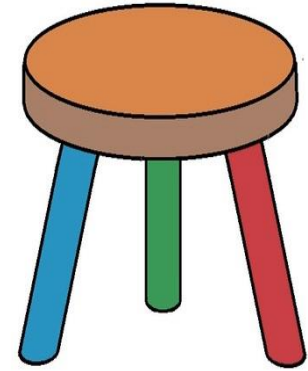


Trust provides during life, incapacity and at death

Three roles

- Grantor – Establishes Trust
- Trustee – Administers Trust
- Beneficiary – Receives benefit of Trust

Can be the same person in Revocable Trust



Revocable Trust Steps



Meet with your legal, financial, and tax professionals to develop your plan

Distribution provisions meet your individual goals, designed specific to your family situation

Blended Family

- Spouse gets all income and principal if needed for specified reasons
- Principal goes to own children at spouse's death

Minor Child

- Extend distributions to match maturity level

Financial Management

- Professional Investment Management for beneficiary

Philanthropic Goals

Extend for Generations

- Mineral Interest Management
- Education Trust for grandchildren

Revocable Trust Steps



- Review and Execute Trust document
- Title assets in name of Trust

Michael Jackson died with a trust set up. The problem was the trust was never funded. This created a probate estate, which made a private event public.

The former first lady, Jacqueline Kennedy Onassis, had a good estate plan in place. She set up a charitable lead trust through her Will. However, the trust wasn't funded, which made all the planning obsolete. This created a hefty tax bill, which depleted her estate.



Revocable Trust

Incapacity



- Trust names Successor Trustee
- Private Process – No public records
- Detailed Instructions for Administration to meet your needs and goals

No Trust

Incapacity



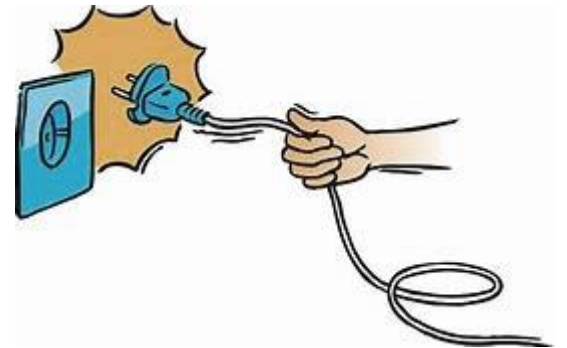
Conservatorship – Court Appointed

- Court Supervised
- Inventory of Assets
- Initial and Annual Reports
 - Income and Expense
- Public Record

Durable Power of Attorney

- No Court Supervision

Mr. Smith was divorced but did not update his estate planning documents. His documents named his ex-wife as medical power of attorney and beneficiary of his estate. In the end he was in a coma and the ex-wife decided to pull the plug.



Revocable Trust

At Death



- Trust names Successor Trustee
- Private Process – No public records
- Disposition provisions designed specifically for you and your family
- Generally Faster Settlement

Marilyn Monroe left her estate to her acting coach, Lee Strasberg. When Lee died, Marilyn's estate went to his third wife, someone Marilyn had never met.



7 Reasons to Use a Corporate Fiduciary



1. You'll gain the advantage of years of experience
2. You'll enjoy the potential of even greater investment returns
3. You'll protect your wealth because corporate fiduciaries are regulated by both state and federal agencies
4. You'll receive reliable, professional service
5. You'll value their objectivity
6. You'll tap their rich sources of advice and referrals
7. You'll enjoy peace of mind

Take Away



- If asset titling has not been incorporated with your estate plan, the terms of your estate plan may never be realized
- Estate Planning – Not just for the wealthy
- Ability to tailor to your individual goals
- Review your estate plan periodically

Thank You!



QUESTIONS?