



L I F E T I M E P L A N N I N G

# Estate Planning, Wills, Trusts










**Brian Padrick, CFP®   Eric Smith, JD, CFP®   Brandon  
Smith**

[www.lifetimeplanning.biz](http://www.lifetimeplanning.biz)






# Know How Much Your Estate Is Worth

“It all comes down to simple math.” —Tim Winship

## Sum Up the “Fair Market Value” of Assets

	Appraisal	Do It Yourself
 Property	<input type="text"/>	Mortgage <input type="text"/>
 Personal Items	<input type="text"/>	Car <input type="text"/>
 Vehicles	<input type="text"/>	Student Debt <input type="text"/>
 Business Interests	<input type="text"/>	Credit Card Debt <input type="text"/>
 Bank Accounts	<input type="text"/>	Tax Bill <input type="text"/>
 Insurance Policies	<input type="text"/>	Total Value = <input type="text"/>
 Retirement Accounts	<input type="text"/>	<input type="text"/>
 Investment Accounts	<input type="text"/>	Revocable <input type="text"/>
	<input type="text"/>	Trusts <input type="text"/>

## Subtract Out Liabilities

 Mortgage	<input type="text"/>
 Loan	<input type="text"/>
 Student Debt	<input type="text"/>
 Credit Card Debt	<input type="text"/>
 Tax Bill	<input type="text"/>
	<input type="text"/>



(Total Value – \$5.45 million) \* 40% = Tax Liability



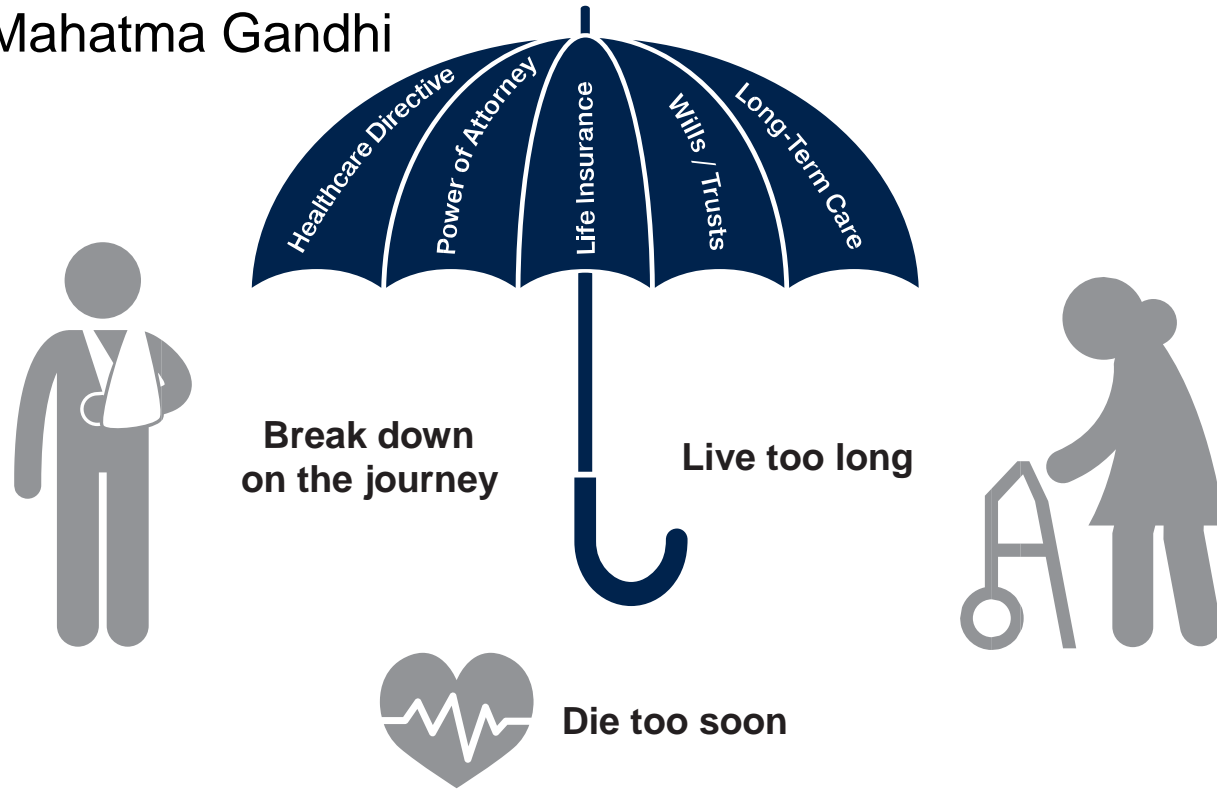
(Total Value – \$10.90 million) \* 40% = Tax Liability

Slide is for illustrative purposes only.

# Estate Planning: Major Components

“Live as if you were to die tomorrow. Learn as if you were to live

forever.” —Mahatma Gandhi

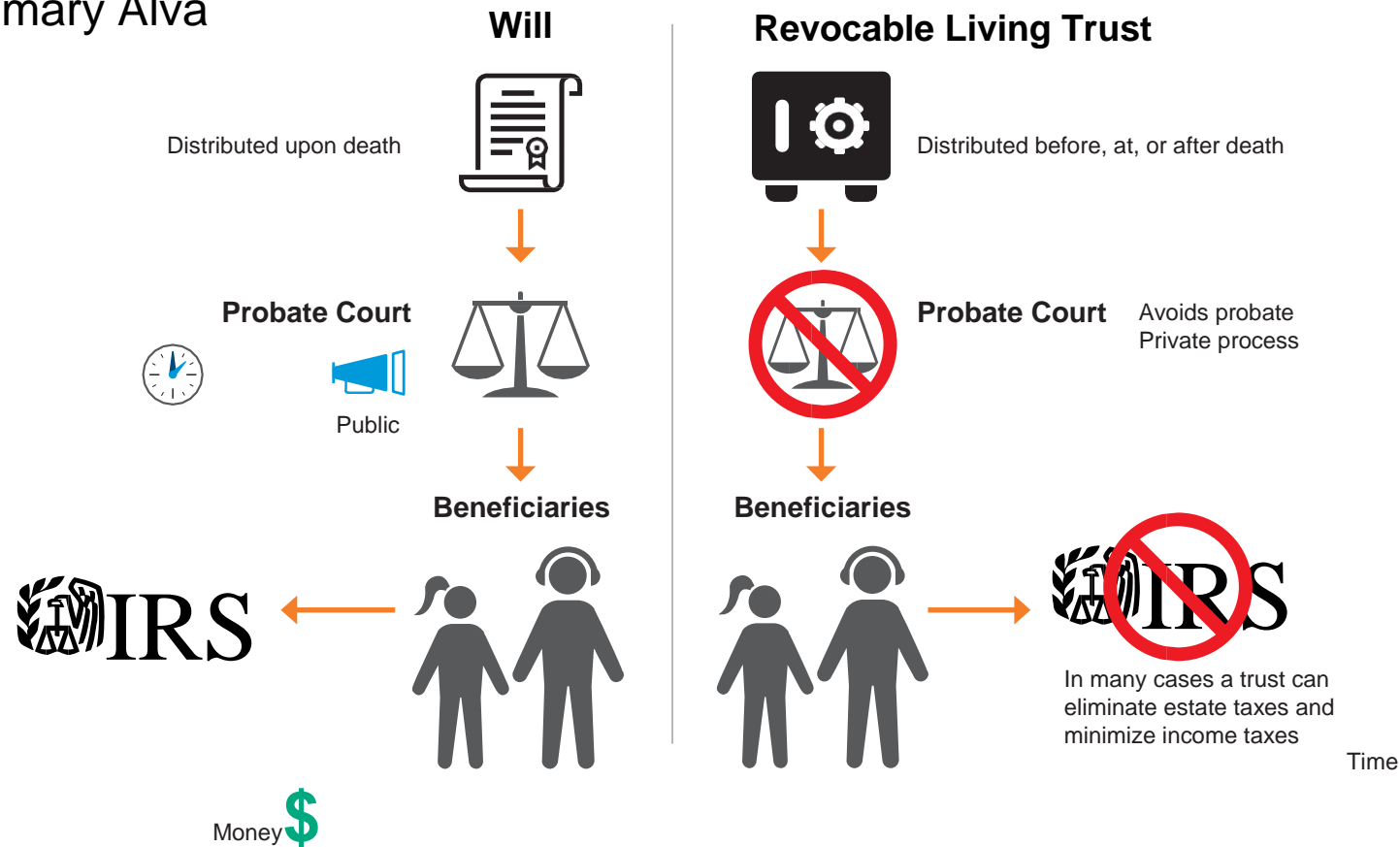


## Will or a Trust?

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“We don’t own our family history. We simply preserve it for the next generation.”

—Rosemary Alva



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# Revocable Living Trusts

“Let our advance worrying become advance thinking and planning.” —  
Winston Churchill

**Trustor**



**Re-Titling of Assets**



Property



Business



Retirement  
Accounts



Personal  
Accounts

**Revocable Living Trust**



**Trustee**



Instructions

**Beneficiaries**



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# Who Gets What?

“The acceptance of death gives you more of a stake in life, in living life happily, as it should be lived.” —Sting

## Large Estates with No Named Beneficiaries



**Howard Hughes**  
\$3.8 billion



**Michael Jackson**  
\$825 million



**Pablo Picasso**  
\$500 million



**Elvis Presley**  
\$400 million



**Kurt Cobain**  
\$400 million



**Prince**  
\$300 million

# Write a Will and Keep It Updated

“Death is not the end. There remains the litigation over the estate.” — Ambrose Bierce

## Assets with Beneficiaries

Goes directly to named beneficiary (spouse, children)

- Retirement Accounts
- Life Insurance

## Assets that Must Be Directed

- Family Business
- Cash
- Vacation Homes
- Cars
- Family Home

## When Should You Review Your Will?



Marital status change



Attitudes change



5 or more years since last review

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# Index Definitions

The 10-Year U.S. Treasury Yield is generally considered to be a barometer for long-term interest rates.

The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs).

The Bloomberg Barclays U.S. Aggregate Bond Index is an index of U.S. Government and corporate bonds that includes reinvestment of dividends.

The Bloomberg Barclays Aggregate Corporate Bond Index represents primarily investment-grade corporate bonds within the Bloomberg Barclays U.S. Aggregate Bond Index. The Bloomberg Barclays Aggregate U.S. Treasuries Index represents public obligations of the U.S. Treasury with a remaining maturity of one year or more.

The Bloomberg Barclays High Yield Bond Index covers the universe of fixed rate, non-investment-grade debt. The JPMorgan GBI-EM Global Diversified Index tracks total returns for local-currency-denominated money market instruments in the emerging markets.

The Bloomberg Barclays Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market and includes bonds rated investment-grade by at least two of the three major rating agencies (Moody's, S&P and Fitch). SBBI U.S. Large Company Stock Index is an unmanaged index of stocks of large U.S. companies.

SBBI U.S. Long-Term Government Bond Index is an unmanaged index generally representative of the bond market. SBBI U.S. Small Company Stock Index is an unmanaged index of stocks of small U.S. companies.

SBBI U.S. (30-day) Treasury Bills is generally representative of the rate of return on a savings investment.

The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap Index measures the performance of mid-capitalization stocks.

The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

The S&P 500 Index is a market-capitalization weighted index of the 500 largest domestic U.S. stocks. Shiller Home Price Index tracks changes in home prices throughout the United States.

Treasury Inflation Protected Securities is generic U.S. Government inflation-index bonds.

The U.S. existing home sales median price tracks changes in residential property prices of existing single-family homes, condos and co-op sales.

Indices are unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. **Past performance does not guarantee future results.**

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