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ESTATE PLANNING OVERVIEW

ARKANSAS DEPARTMENT OF EDUCATION
APRIL 18, 2023

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Estate Planning

WHAT HAPPENS IF I DON'T PLAN?

WHAT IS IT?

WHAT ARE THE MOST IMPORTANT DOCUMENTS FOR ME TO HAVE?

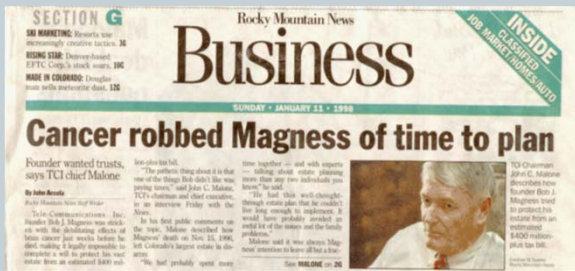
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What if I don't plan?

- **Laws of Intestate Succession govern what happens to you and your stuff.**
 - Waiving ability to direct whether you will be buried or cremated
 - Waiving ability to direct where your remains will go
 - Waiving the right to decide who controls your money (State will appoint someone for you)
 - Waiving the right to control who will make decisions for you
 - Waiving the right to name a guardian for your children
- **Arkansas Plans for you**

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If it isn't written down...It doesn't matter



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... Opportunities Lost



Photo credit: [The Omaha Law Firm](#)
 By JOHN M. GOBALKA, Founder | The Omaha Law Firm
 May 2018

Prince may have sung that "Money Don't Matter 2 Night," but it's clear that the \$300 million estate he left behind matters quite a bit. Since Prince didn't plan his estate, his family and loved ones are stuck with the headache of probate proceedings. Between the current federal estate tax rate of 40% and an additional 16% from the state of Minnesota, the majority of Prince's estate is going to the Tax Man. Needless to say, there is much that could have been done to avoid probate and minimize estate tax.

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What is Estate Planning?

- Control my property while I'm alive and well.
- Provide for myself and my loved ones if I become disabled.
- Give what I have:
 - To whom I want;
 - The way I want;
 - When I want.
- Minimize the impact of taxes, professional fees, and court costs.

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Common Estate Planning Mechanisms

- Owning property jointly.
- Designating a beneficiary.
- Signing a will or revocable living trust.



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Question: Does your estate plan meet your goals?

- Does it provide for your disability?
- Does it give what you have:
 - to whom you want?
 - the way you want?
 - when you want?
- Does it avoid probate?

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Proper Estate Planning


Cares for loved ones as if you were still there:

- With your resource.
- With your love.
- With your wisdom.

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The Estate Planning Process

- Education.
- Design.
- Drafting Documents.
- Implementation.
- Review.
- Team Work.

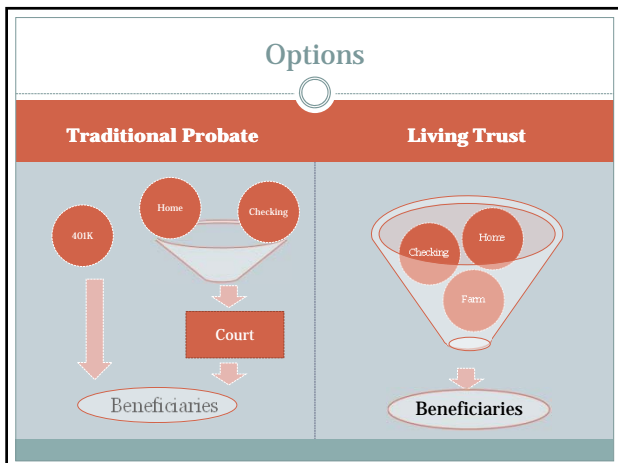


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Planning for Disability

- Medical Directives.
 - Health Care Power of Attorney.
 - Living Will.
 - HIPPA authorization.
- Durable Power of Attorney.
- Revocable Living Trust.

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Living Trust

- Plans for your disability.
- Provides for your loved ones.
- Contains your caring instructions.
- Addresses your fears.
- Reflects your love and values.
- Can avoid probate.
- Valid in every state.
- Private and confidential.

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Last Will of Jackie Kennedy Onassis

I, JACQUELINE K. ONASSIS, of the City, County and State of New York, do make, publish and declare this to be my Last Will and Testament, hereby revoking all wills and codicils at any time heretofore made by me.

FIRST: A. I give and bequeath to my friend RACHEL (NUNNY) L. MILLON, if she survives me, in appreciation of her designing the Rose Garden in the White House my Indian miniature "Lovers watching rain clouds," Kangra, about 1780, if owned by me at the time of my death, and my large Indian miniature with gilded frame "Gardens of the Palace of the Raj," a panoramic view of a pink walled garden blooming with orange flowers, with the Raj being entertained in a pavilion by musicians and dancers, if owned by me at the time of my death.

B. I give and bequeath to my friend MAURICE TEMPLESMAN, if he survives me, my Greek alabaster head of a woman if owned by me at the time of my death.

C. I give and bequeath to my friend ALEXANDER D. FORGIER, if he survives me, my copy of John F. Kennedy's Inaugural Address signed by Robert Frost if owned by me at the time of my death.

D. Except as hereinbefore otherwise effectively bequeathed, I give and bequeath all my tangible personal property, including, without limitation, my collection of letters, papers and documents, my personal effects, my furniture, furnishings, rugs, pictures, books, silver, plate, linen, china, glassware, objects of art, wearing apparel, jewelry, automobiles and their accessories, and all other household goods owned by me at the time of my death to my children who survive me, to be divided between them by my Executor, in the exercise of sole and absolute discretion, in as nearly equal portions as may be practicable, having due regard for the personal preferences of my children. I authorize and empower my children, within a period of nine (9) months from the date of my death, to renounce and disclaim all interest in any part or all of the tangible personal property bequeathed to them pursuant to this Paragraph D of Article FIRST. Any such disclaimer shall be by instrument in writing, duly executed and filed in the court in which this Will has been admitted to original probate.

E. Any interests in my tangible personal property which are disclaimed by my children shall be disposed of as follows:

1. I give and bequeath such items of said tangible personal property and interests therein which relate to the life and work of my late husband, John F. Kennedy, to JOHN FITZGERALD KENNEDY LIBRARY INCORPORATED, Boston, Massachusetts, or if said library shall not be a qualified charitable beneficiary, as defined in Paragraph A of Article SECOND hereof, at the time of my death, to such one or more qualified charitable beneficiaries with similar purposes as my Executor, in the exercise of sole and absolute discretion, shall select.

2. I direct that the balance of said tangible personal property shall be sold and the net proceeds of sale shall be added to my residuary estate, thereafter to be held, administered and disposed of as a part thereof.

F. I give and bequeath all copyright interests owned by me at the time of my death in my personal papers, letters or other writings by me, including any royalty or other rights with respect thereto, to my children who survive me, in equal shares.

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Another good plan...


[www.bfbc.com/the-scandalously-boring-truth-about-michael-jacksons-will#P6176c27262](https://www.bfbc.com/the-scandalously-boring-truth-about-michael-jacksons-will)

The Scandalously Boring Truth About Michael Jackson's Will

Zack O'Malley Greenburg, FOUNDER OF BFB

APRIL 1, 2019 · CHARLIE NUSCARI HALL OF FA

PITCH THE NEXT BIG SPORTS TO INVEST INVESTORS



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How to Distribute to Heirs

- **Outright**
 - No Protection, but full freedom
- **In Trust**
 - **Creditor protection.**
 - **Predator protection.**
 - **“Self” protection.**
 - **Estate tax protection.**

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Estate Tax

- It's a transfer tax on everything you own.
- Estate and gift taxes can go as high as 40%.
- \$17,000 annual exclusion.
- \$10,000,000 unified credit.*
- Unlimited marital deduction.
- Unlimited charitable deduction.
- Use it or lose it.

* Indexed for inflation.
* Expires in 2025

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When?

- Before there is a crisis
- Emergency Calls...
- Upon your disability (permanent incompetency), you lose the ability to do any planning

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