


# What to Do Workshop™



## WHAT TO DO WORKSHOP™

### PART 1 – WHEN A LOVED ONE IS ILL

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### OBJECTIVES

- Gain a better understanding of:
  - What to do at the right time
  - What NOT to do
  - Where to go for help



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### FORMAT

- Presentation is divided in two parts:
  - Part 1: What to do when a loved one is ill
  - Part 2: What to do when a loved one passes away



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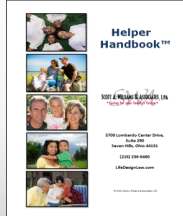
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# What to Do Workshop™

## A TOUR OF THE HELPER HANDBOOK™

- An emergency resource
- Keep in safe place
- Bring with you to future training programs for updates
- Dates of attendance are noted in back cover
- Available on our website



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## A TOUR OF THE RED BOOK

- “Red” Book(s) and “Blue” Book
- The “Red” Estate Planning Portfolio contains the original legal documents
- For married clients, each spouse will have their own Red Book.



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## A TOUR OF THE BLUE BOOK

- The “Blue” LifeDesign™ Portfolio contains checklists, personal instructions, and educational materials
- Know where the books are located
- Generally, the law office holds copies of all of the original documents



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## What to Do Workshop™

### THE REVOCABLE LIVING TRUST

- The “hub” of the estate plan
- Written for the “Helpers”
- Opted for less “legalese” and more “plain English”
- Contains many personalized provisions
- “Sweater in a suitcase” provisions
- How does a trust work?

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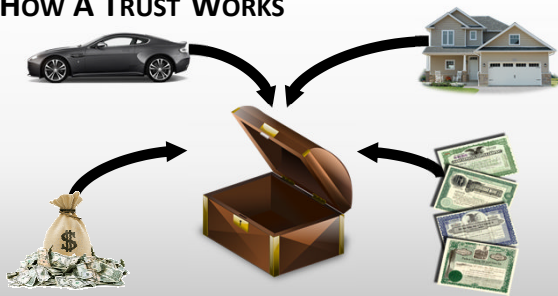
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### HOW A TRUST WORKS



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### TRUST DISABILITY PROVISIONS

- “Disability” refers to a mental disability, not a physical disability
- Article 4, Section 2 sets forth a definition of disability



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# What to Do Workshop™

## TRUST DISABILITY PROVISIONS

### Article 4, Section 2:

"I shall be deemed disabled during any period when, in the opinion of my Disability Panel, I am incapacitated or disabled because of illness, age, or any other cause which results in my inability to effectively manage my property or financial affairs."



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## Disability Provisions- Who Determines Disability

### Disability Panel Members:

- These helpers participate in the decision as to whether the Trustmaker is capable of managing his or her property and financial affairs.
- There is no financial and no medical decision-making authority in this role!



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## Disability Provisions- Steps in Determining Disability

### 1. **STOP! CALL THE LAW FIRM!!**

- A directory is located in Tab 3
- If unavailable, always leave a voice message!



### 2. Law firm due diligence



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## What to Do Workshop™

### Disability Provisions- Steps in Determining Disability

3. Schedule a Disability "Conference" with the Disability Panel
4. Disability Determination is Made
5. Panel Members Sign Certificate of Disability



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### Disability Provisions- Steps in Determining Disability

6. Identify the Disability Trustees (Financial Helpers) Article 12 or 15
  - People who assume complete financial control of trust assets
  - Serve subject to priorities and instructions provided in the trust
  - No medical decision-making authority



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### Disability Provisions- Steps in Determining Disability

7. Disability Trustees sign Certificate of Trust
8. Attorney signs Attorney Certification
9. Locate all Assets & Identify Transfer Agents
  - Asset Detail Report is located in Blue Book (updated each year)



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## What to Do Workshop™

### Disability Provisions- Steps in Determining Disability

10. Complete the Asset Transfer Paperwork
11. "Deliver" Asset Transfer Paperwork
12. Verify Change of Trusteeships
13. Manage the Property as a "Fiduciary"
14. Coordinate with Health Care Agents

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### POTENTIAL OBSTACLES

- Assets not owned by the trust are not controlled by the trust
- Some assets may not be in the trust because the funding was not completed prior to a disability
- Some assets may not have been reported to the law firm and, thus, were not funded
- A **Funding Power of Attorney** gives the "helper" power to put assets in the trust

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### POTENTIAL OBSTACLES

- Some assets CANNOT be owned by the trust:
  - Qualified Retirement Plans:
  - Cars with a Lien
- A **Miscellaneous Power of Attorney** gives the "helper" power to make investment decisions over non-trust assets

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# What to Do Workshop™

## Disability Protections - Health Care and Medical Issues

- **Health Care Power of Attorney**
  - Someone else makes medical decisions for a patient
  - Only when patient cannot communicate
- **HIPAA Release**
  - Provides advance consent for a physician to talk with a Health Care Power of Attorney Agent (i.e. Helper)



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## Disability Protections - Health Care Issues

- **Living Will**
  - No “heroics” in terminal situations
  - Takes the burden off a loved one
- **Anatomical Gifts** (Organ and Tissue Donation)
  - Department of Motor Vehicles maintains the Organ Donation Registry
  - May limit to a certain purpose or organ/tissue
  - Can be updated online or at the DMV



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## Disability Protections - Health Care Issues

- **Health Care Checklists and Instructions**
  - Provides guidance to “helpers”
  - Located in the blue LifeDesign™ Portfolio



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# What to Do Workshop™

## Disability Protections - Health Care Issues

- Locating Health Care Documents
  - Red Book
- DocuBank®
  - Contains all Health Care Documents & Checklists
  - Emergency contact information



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## Disability Protections - Health Care Issues

- Patient can log in online and send email copy to helpers
- Test the service while healthy
- Be a good advocate by insisting the hospital call to get the documents



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## Disability Protections - Health Care Issues

- Provide copies of Health Care POA, HIPAA Release & Living Will to medical providers
- Follow Instructions in Health Care Checklists
- Coordinate with Disability Trustees
- Check for Long Term Care Insurance Policies and Disability Insurance Policies (law firm can assist)

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# What to Do Workshop™

## Getting Questions Answered

- Call the law firm with questions
- No charge for phone calls
- Use the Helper Handbook™
- [www.Lifedesignlaw.com](http://www.Lifedesignlaw.com)
- Password = success



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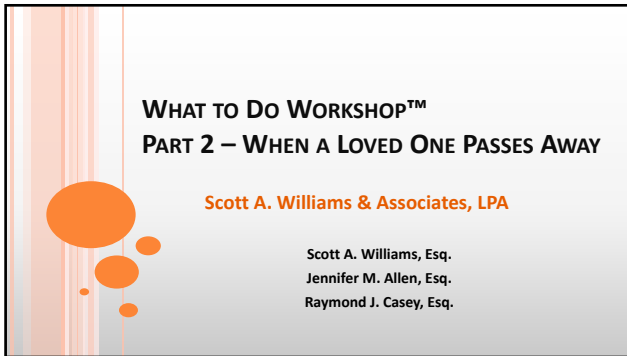
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# What to Do Workshop™



**WHAT TO DO WORKSHOP™**  
**PART 2 – WHEN A LOVED ONE PASSES AWAY**

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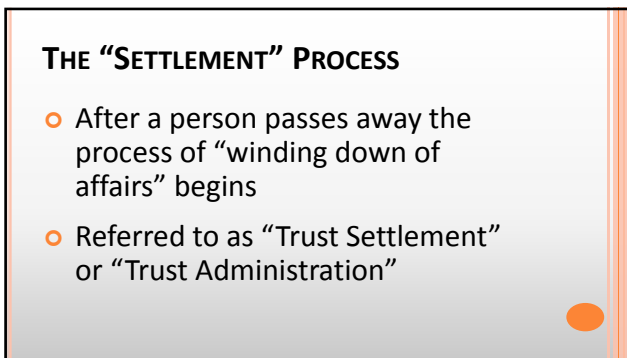
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**THE “SETTLEMENT” PROCESS**

- After a person passes away the process of “winding down of affairs” begins
- Referred to as “Trust Settlement” or “Trust Administration”

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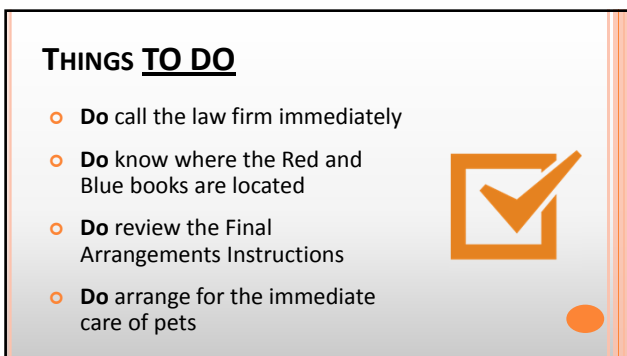
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**THINGS TO DO**

- **Do** call the law firm immediately
- **Do** know where the Red and Blue books are located
- **Do** review the Final Arrangements Instructions
- **Do** arrange for the immediate care of pets

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# What to Do Workshop™

## THINGS TO DO

- Do secure the house
- Do schedule a settlement conference with the law firm within two weeks
- Do make a list of questions



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## THINGS NOT To Do

- Do **NOT** “go direct” – resist the temptation
- Do **NOT** rollover IRA’s, 401(k)’s, or other Qualified Retirement Plans
- Do **NOT** race to the bank and close accounts
- Do **NOT** drive the decedent’s automobile (unless absolutely necessary)



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## THINGS NOT To Do

- Do **NOT** remove any household furnishings
- Do **NOT** pay any bills – ask for a 2-4 week extension on funeral expenses
- Do **NOT** use the decedent’s credit cards
- Do **NOT** use any Powers of Attorney – they are VOID on the death of the “Principal”



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# What to Do Workshop™

## SETTLEMENT CONFERENCE AGENDA

- We will send you a list of documents to bring
- Bring a written list of questions
- Ethical guidelines require we only meet with the Successor Trustee(s) and Named Beneficiaries



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## SETTLEMENT CONFERENCE AGENDA

- Overview of the plan
- Review of the settlement process
- Discuss possible planning opportunities
- Delegate tasks – who is doing what?
- Establish time tables
- Address fees and sign engagement letter



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## OVERVIEW OF THE TRUST

### Three Main Time Periods

- Alive and healthy
- Disability
- Death



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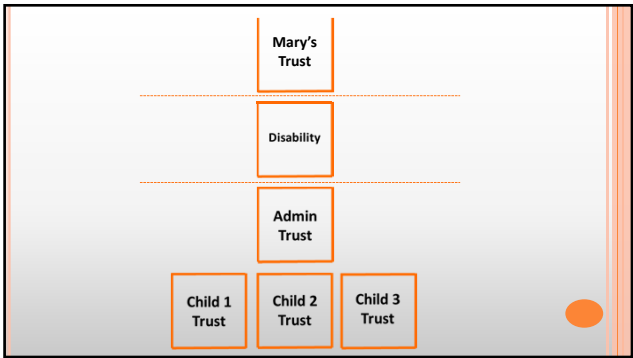
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# What to Do Workshop™



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### SETTLEMENT PROCESS

- Inventory: Build an inventory of assets
- Valuations: Secure valuations of all assets
- Claim Forms: Settle life insurance, annuities, qualified retirement plans
- Debts & Expenses: Identify, negotiate, and pay legally enforceable debts and expenses
- Accounting: Track income and expenses from the “estate”



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### SETTLEMENT PROCESS

- Income Taxes: Prepare Income Tax returns (Form 1040 and 1041)
- Estate Taxes: Prepare Estate Tax returns (Form 706)
- Inform and Educate: Educate beneficiaries about the process and keep them updated
- Use of “List Serves” through email
- Periodic phone conferences
- Distribution: Asset transfer process



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# What to Do Workshop™

## SETTLEMENT PROCESS

- Time Expectations:
- 4-12 Months
- 12+ Months for large estates
- Periodic meetings in person or by telephone



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## TRUSTEES

- Article 15 for Married Clients and Article 12 for Single Clients names the Trustees
- May be the same people as the Disability Trustees
- Usually a trusted family member or loved one as opposed to a bank or trust company

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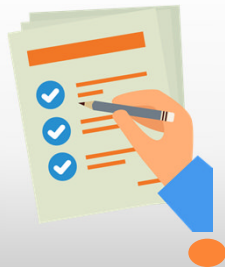
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## DISTRIBUTION OF ASSETS

### Three Types of Distributions

- "Special Stuff" List
- Specific Distributions (Article 7)
- Percentage Distributions (Article 9 or 12)



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# What to Do Workshop™

## DISTRIBUTION OF ASSETS

### Special Stuff List

- List of special items to be distributed before any other assets
- Typically these items have sentimental value or are family heirlooms
- Identifies a specific item and recipient
- Located in Red Book behind the tab called "Personal Effects"
- Not all clients have completed a "Special Stuff" List



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## DISTRIBUTION OF ASSETS

### Specific Distributions

- Located in Article 7 of the Trust
- Can be used for distributing specific sums of cash, investment accounts, automobiles, etc.



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## DISTRIBUTION OF ASSETS

### Percentage Distributions

- All remaining trust assets divided amongst the beneficiaries in Article 12 (Married clients) or Article 9 (Single clients)
- Article 12/9 provides a beneficiary's inheritance is to be held in a protected trust share



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# What to Do Workshop™

## TRUST PROTECTIONS

- Catastrophic Illness Protection
- Catastrophic Creditor Protection (i.e. School Bus Trust)
- Divorce Protection
- Bloodline Protection
- Wealth Reception™ Protection



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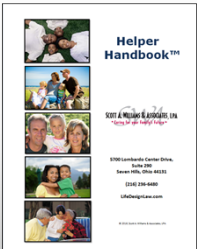
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## HELPER HANDBOOK™

- “Trust Settlement Instructions” Tab contains more detailed information
- FAQ’s (Frequently Asked Questions) provide a short summary of common questions and answers



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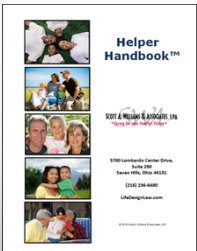
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## HELPER HANDBOOK™

- Resources – provides local resources to consult
- We are here to help beyond the “legal” issues
- Glossary defines various terms



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# What to Do Workshop™

## CLOSING COMMENTS

- We recommend you attend this presentation again within 5 years (or watch online!)
- New Client Orientation Meetings are offered through out the year – please contact us for more information!
- Thank you for coming!



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