

Exceptional Care, Exceptionally Close

Welcome!

Estate Planning Basics in 2021

July 9, 2021

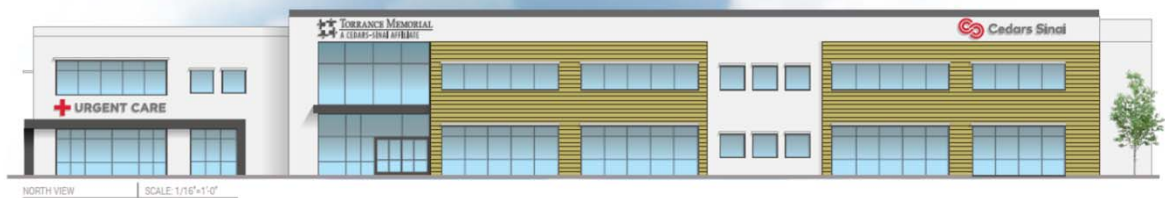
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Torrance Memorial Highlight

El Segundo Medical Complex – opening March 2022



Urgent Care	OB/GYN	Imaging	Cedars-Sinai
Primary Care	Cardiology	Lab (blood draws)	Specialists
Pediatrics	Gastroenterology	Endoscopy Center	

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Types of Planned Gifts

1. **Bequest** – gift through will, living trust or designation in a qualified retirement plan.
2. **Immediate Charitable Gift Annuity** – Simple contract between donor and the Torrance Memorial Foundation whereby lifetime payments are made to one or two individuals.
3. **Deferred Charitable Gift Annuity** – Annuity payments are deferred until a specified date in the future.
4. **Charitable Remainder Trust** – Trust that provides fixed or variable payments to named beneficiaries for life or a specified term of years.
5. **Retained Life Estate** – Gift of remainder interest in home or farm. Donor retains the right to live in the home for life.
6. **IRA Beneficiary** – Naming Torrance Memorial as the beneficiary of your retirement accounts (percentages can be designated as desired)

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Bequest

Simplicity

Include language in will/trust: *"I, [name], of [city/state/zip] give, devise and bequeath to Torrance Memorial Foundation [% or amount or description of property] for its unrestricted use and purpose."*

Flexibility

You can change your mind, revise, update any time during your lifetime

Versatility

Dollar amount, percentage of estate, specific property

Tax Relief

If estate subject to estate tax, no tax on charitable gift

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Resource for Planned Giving

www.TorranceMemorialFoundation.org/planned-giving

- Learn about the different arrangements available
- Plug in some numbers in the “gift calculator” to get an idea of how this type of gift might work for you
- **Download a FREE estate planning kit**
- Contact Sandy VandenBerge at (310) 784-4843
sandy.vandenberge@tmmc.com



Financial Health articles - www.torrancememorialfoundation.org/News

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How to Donate to Torrance Memorial Medical Center

Online

<https://www.torrancememorialfoundation.org/Donate>

By Phone

Please call Torrance Memorial Foundation at 310-517-4703.

You may charge your gift to your credit card or make a gift pledge.

By Mail

Check or credit card information to: Torrance Memorial Foundation
3330 Lomita Blvd.
Torrance, CA 90505

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Estate Planning Basics in 2021

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ESTATE PLANNING The Human Side of It



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Why Bother with Estate Planning?

- Do you want court & judge to decide who gets what?
- Do you want to pay thousands in probate court costs and legal fees?
- Do you want to risk your children/heirs winding up in court arguing with each other?
- California couples – do you want your share of community property assets going to surviving spouse's new bimbo/gigolo?
- Do you want surviving spouse learning how to settle an estate, jumping through legal & tax hoops while agonizing if being done right?
- Do you want settlement of your estate to take years?
- Do you want to leave money outright to special needs child or one with substance abuse history?
- Do you want to pay maximum possible in estate taxes?

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Things to do NOW

- Both spouses understand & involved in family's finances
- Verify registration (how you hold title) to non-retirement assets
- Verify beneficiary designations on all retirement accounts – primary & contingent should be designated
- Complete document locator form (*included at end of handout*) – helps heirs immensely

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Document Locator Checklist (page 1)

ASSETS & LEGAL DOCUMENTS LOCATION

A big problem for anyone trying to wind up an estate can be simply finding all the property and valuable papers. You can do your heirs and executor a favor by filling out this form and giving copies to your spouse, other relatives who will help in settling the estate, any outside executor and your lawyer. Update the information periodically.

Name _____

Social Security Number(s) _____ / _____

Employer (husband) _____

Employer (wife) _____

My valuable papers and assets are stored in these locations:

A: Residence (address) _____
exact location: _____

B: Safe-deposit Box (Bank) _____
location of key: _____

C: Office (address) _____

D: Other: _____

E: Other _____

Included at end of PowerPoint handout

ITEM	(circle one) LOCATION
Will (original)	A B C D E
Will (copy)	A B C D E
Will/Spouse' (original)	A B C D E
Will/Spouse's (copy)	A B C D E
Durable Power of Attorney	A B C D E
Durable Power of Attorney for Health Care	A B C D E
Burial instructions	A B C D E
Burial instructions (spouse)	A B C D E
Cemetery plot deed	A B C D E
Document appointing children's guardian	A B C D E
Hand written list of special bequests	A B C D E
Safe combination, business	A B C D E
Safe combination, home	A B C D E
Trust Agreements	A B C D E
Mutual Fund shares	A B C D E
Bonds/Stocks	A B C D E
Life Insurance Policy(ies)	A B C D E

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Document Locator Checklist (page 2)

Other securities	A B C D E
Corporate retirement plan	A B C D E
Keogh or IRA plan	A B C D E
Annuity contracts	A B C D E
Stock-option plan	A B C D E
Profit-sharing plan	A B C D E
Income & gift tax returns	A B C D E
Title & Deeds to real estate and land	A B C D E
Title insurance	A B C D E
Rental property records	A B C D E
Notes and other loan agreements, including mortgages	A B C D E
List of stored and valuable possessions	A B C D E
Auto ownership records	A B C D E
Boat ownership records	A B C D E
Birth certificates	A B C D E
Passport	A B C D E
Citizenship papers	A B C D E
Adoption papers	A B C D E
Military papers	A B C D E
Children's birth certificates	A B C D E
Divorce/separation records	A B C D E
Names & addresses of relatives & friends	A B C D E
List of professional & fraternal organization memberships	A B C D E
Other:	A B C D E
_____	A B C D E
_____	A B C D E
_____	A B C D E
_____	A B C D E

Included at end of PowerPoint handout

IMPORTANT NAMES, ADDRESSES & PHONE NUMBERS

Lawyer: _____

Accountant: _____

Stockbroker: _____

Insurance Agent: _____

Date prepared: _____

Copies given to: _____

(1) Original

(2) Copy

(3) _____

(4) _____



The Conversation Project

Institute for Healthcare Improvements
The Conversation Project

TALKING MATTERS!

Very helpful conversation starter guide about end-of-life care

<https://theconversationproject.org/get-started#Your-Conversation-Starter-Guide>

(English, Spanish, Chinese)

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Hospice - What

- Medical care for someone with terminal illness
- Live as well as possible for as long as possible
- Team addressing physical, psychosocial, spiritual needs for both patient and family
- Care for symptom/pain management, care coordination, communication, decision-making, clarification of goals for care & quality of life

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Hospice - When

- 6 months or less based on physician's best assessment
- Rapid decline despite medical treatment – e.g. weight loss, mental status, inability to perform activities of daily living
- Ready to forego treatments aimed at prolonging life and receive care to live comfortably (e.g. pain management)

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Hospice - Where

- Personal residence
- Residence of family member or friend
- Hospital
- Assisted Living Facility, Board & Care, etc.

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Hospice – Medicare Benefit

NOT COVERED

- Treatments intended to cure terminal or unrelated illnesses
- Prescription drugs to cure terminal or unrelated illnesses
- Room & Board in nursing home or hospice residential facility

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Estate Tax – Exemptions/Rates History

Year	Estate Tax Exemption	Top Estate Tax Rate	Year	Estate Tax Exemption	Top Estate Tax Rate
1997	\$600,000	55%	2011	\$5,000,000	35%
1998	\$625,000	55%	2012***	\$5,120,000	35%
1999	\$650,000	55%	2013	\$5,250,000	40%
2000	\$675,000	55%	2014	\$5,340,000	40%
2001	\$675,000	55%	2015	\$5,430,000	40%
2002*	\$1,000,000	50%	2016	\$5,450,000	40%
2003	\$1,000,000	49%	2017	\$5,490,000	40%
2004	\$1,500,000	48%	2018****	\$11,180,000	40%
2005	\$1,500,000	47%	2019	\$11,400,000	40%
2006	\$2,000,000	46%	2020	\$11,580,000	40%
2007	\$2,000,000	45%	2021	\$11,700,000	40%
2008	\$2,000,000	45%	2022	inflation adj	
2009	\$3,500,000	45%	2023	inflation adj	
2010**	\$5,000,000 or \$0	35% or 0%	2024	inflation adj	
			2025*****	\$5,490,000	

*2002 Taxpayer Relief Act

**2010 Tax Relief Unemployment Insurance Reauthorization and Jobs Creation Act (supposed to expire end of 2012)

***2012 American Taxpayer Relief Act

****2018 Tax Cuts and Jobs Act

*****2025 Unless Congress decides otherwise

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Advance Planning Considerations

Choosing a Health Care Agent

- How well do they know the person?
- Emotional, geographic, philosophical ability to carry out desires
- Legally able to serve – age, health care relationship, # of others already helping
- Cultural norms

Source: Bunni Dybnis, MA, MFT, CMC

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Advance Planning Considerations (cont'd)

Roles of a Health Care Agent

- Medical care and treatment
- Interpreting Advance Health Care Directive
- Decisions for placement or remain in home
- Withholding medical treatment
- Access to medical records
- Moving out of state
- Applying for entitlements or other programs

Source: Bunni Dybnis, MA, MFT, CMC

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Advance Planning Considerations (cont'd)

If I change my mind. . .

- **Destroy copies**
- **Tell someone**
- **Write “REVOKED” and sign documents**

Source: Bunni Dybnis, MA, MFT, CMC

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Criteria for a Good Death

1. **NATURAL** – does not occur by accident, suicide or homicide
2. **MATURE** – occurs after age 70, still cognitively sharp but “old” enough to have experienced and savored life
3. **EXPECTED** – is neither sudden nor unexpected – having some decent warning. . .(at least a week)
4. **HONORABLE** – is filled with honorifics and not dwelling on past failures – a positive obituary
5. **PREPARED** – a living trust & other arrangements have been made for legalities after death

Source: Edwin Shneidman, PhD

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Criteria for a Good Death (cont'd)

6. ACCEPTED – “willing the obligatory” by gracefully accepting the inevitable
7. CIVILIZED – have loved ones present & surrounded by whatever brings joy – i.e. music, flowers, photos, etc.
8. GENERATIVE – have passed down wisdom of the tribe to younger generations sharing history, memories, etc. verbally or written
9. RUEFUL – cherish emotional state – bittersweet mix of sadness, yearning, nostalgia, appreciation, thoughtfulness, even regret if without depression or collapse
10. PEACEABLE – surrounded by amicability, love & without pain

Source: Edwin Shneidman, PhD

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ESTATE PLANNING The Legal Side of It



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California



- **Community property state**
- **9 of 50 states are community property**
- **State-specific rules on probate, property laws and passing title on property**

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Property Definitions

- **Community Property**
what's mine is yours, and
what's yours is mine
- **Separate Property**
what's yours is yours, and
what's mine is mine
- **Quasi Community Property**
???



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Probate

Why avoid it?

- Public
- Expensive
- Time Consuming

How do you avoid Probate?

- Joint Tenancy
- TOD, POD Accounts
- Trusts



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What happens to property after someone dies?

- No Will → Probate
- Will → Probate
- Trust → Non-Probate Transfer
- Other Vehicles

POD = Payable on Death
TOD = Transfer on Death
JT (Joint Tenancy) Accounts



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ADVANTAGES TO TRUSTS

1. Choose who will administer the trust
2. Decide how you want your assets distributed
3. Who will be beneficiaries, and when and how distributions will be made
4. Private
5. Spendthrift clauses
6. Create Special Needs Trust (SNT), keep it in trust, carve outs for life estates, payback of advances, etc.

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- Part of Estate Plan
- Safety Net
- Nomination of Guardians

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Power of Attorney

- **Who can make financial and contractual decisions for you while you are alive**
- **Springing and Non-Springing**
- **General or specific/special powers**



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Advance Health Care Directive

1. Determine who you want to make health care decisions for you
2. Springing or non-springing



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HIPAA

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA WAIVERS)



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Estate Plan



- **Trust**
- **Wills**
- **POAs**
- **AHCD**
- **HIPAA Waivers**
- **Funding**

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Thank you!

Questions?

Disclosure

This material is for general information only and is not intended to provide specific advice or recommendations for any individual. To determine what is appropriate for you, please consult a qualified professional.

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Follow-up questions

Sandy VandenBerge

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310-784-4843

www.torrancememorialfoundation.org/news

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Social Security Number(s) _____ / _____

Employer (husband) _____

Employer (wife) _____

My valuable papers and assets are stored in these locations:

A: Residence (address) _____
 exact location: _____

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 location of key: _____

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<u>ITEM</u>	<u>(circle one)</u> <u>LOCATION</u>
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