



An Affiliate of Cedars Sinai

Foundation

Welcome!

Boot Camp for the Executor

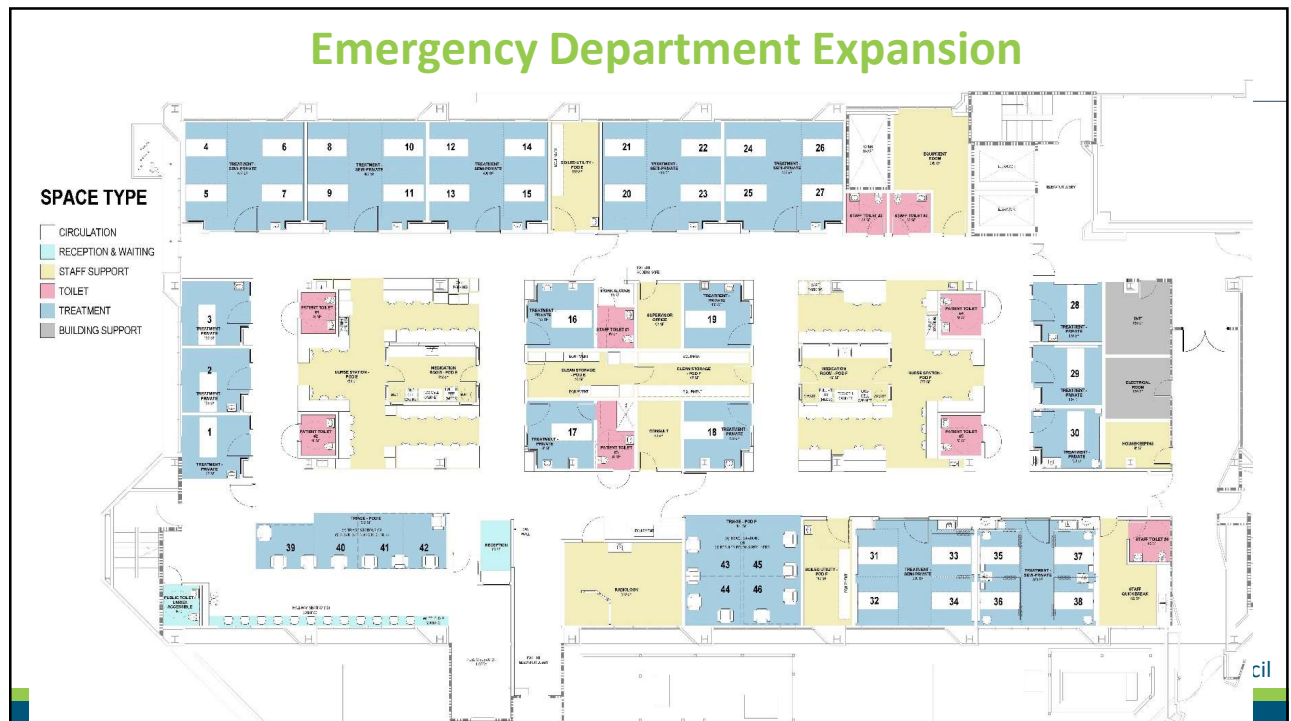
July 13, 2024

Taking Care of Your Financial Health



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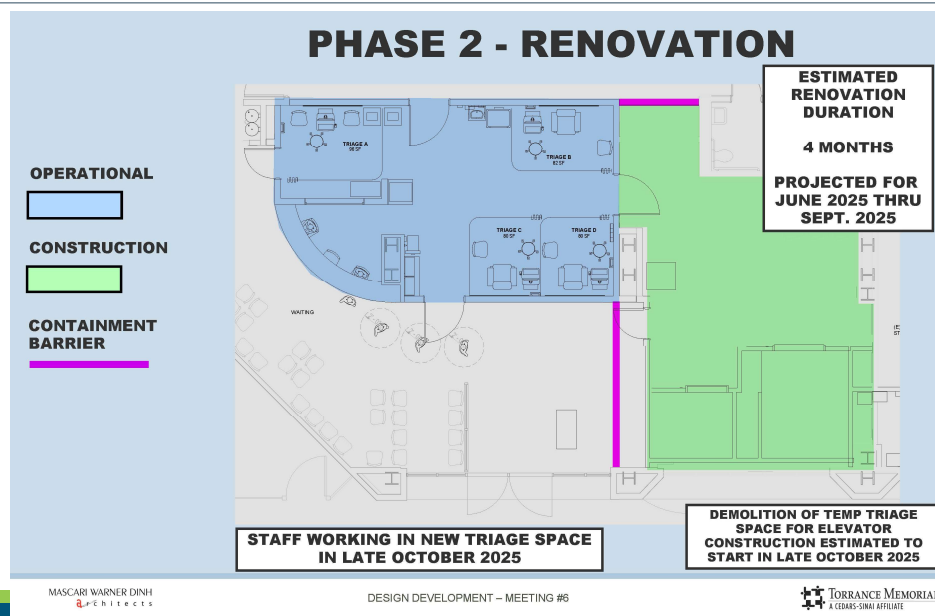
Emergency Department Expansion



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Torrance Memorial Highlight – ED Expansion

First Floor
Lobby &
Triage
Renovation



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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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IRA / 401k Beneficiary Designations

- Name an individual or charity – NOT your trust
- Can use percentages to designate multiple beneficiaries
- Revisit every few years to keep up-to-date
- You pay income tax on your IRA RMD*
- No different for your heirs when inheriting IRA or 401k
- No tax liability when naming Torrance Memorial (charity)
- Use other assets to pass along to heirs

Do NOT name/designate your trust!

*RMD=Required Minimum Distribution

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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

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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Boot Camp for the Executor

July 13, 2024

Presenters

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Key Definitions (also see purple handout)

1. **Executor** – Person named in a will to carry out the directions set forth in the will.
2. **Decedent** – Person who has died
3. **Administrator** – Person appointed by the court for an estate of decedent without a will
4. **Fiduciary** – Person with a legal responsibility to safeguard the interests of another person – e.g. guardian for estate of a minor, conservator of estate of incompetent person, executor of a will, etc.
5. **Trustee** – Person or organization authorized by a trust to hold/manage property for benefit of a beneficiary
6. **Probate** – Legal process of administering a will; also the judicially supervised process of marshaling a decedent's assets, paying debts, distributing remaining assets
7. **Intestate** – Not having a valid will

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Naming Executors and Successor Trustees



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Naming Executors and Successor Trustees

Hey Bill, my lawyer is drafting my estate plan and tells me I need an Executor and Successor Trustee. Can I name you?



Sure, Bob. Man did you see that Dodger game last night?

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Naming Executors and Successor Trustees

Hey Bill, my lawyer is drafting my estate plan and tells me I need an Executor and Successor Trustee. Can I name you?

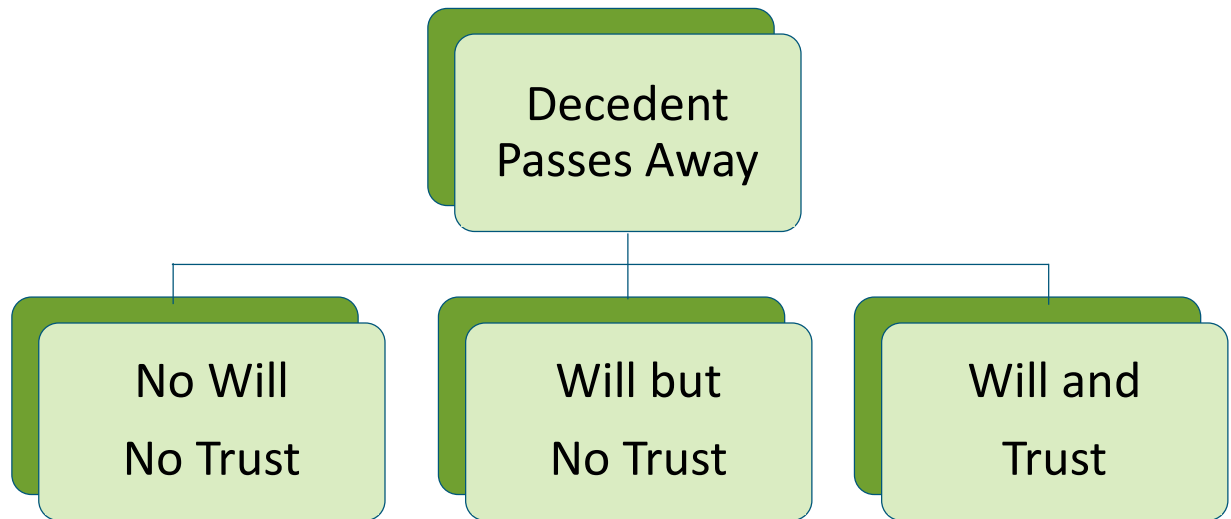


I'd be happy to consider that, Bob. Let's talk about what I'd be expected to do.

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Scenarios for Estates

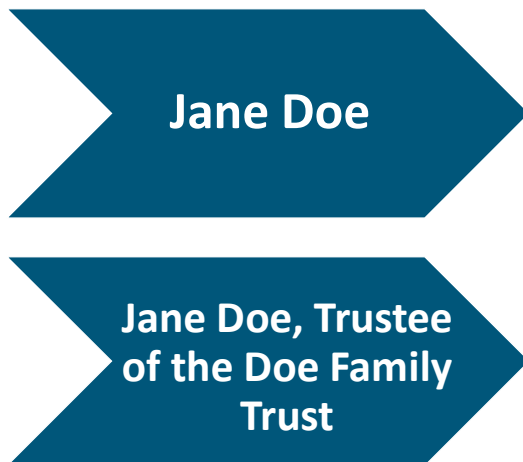


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Ownership of Assets

What are the Assets and Who Owns them?

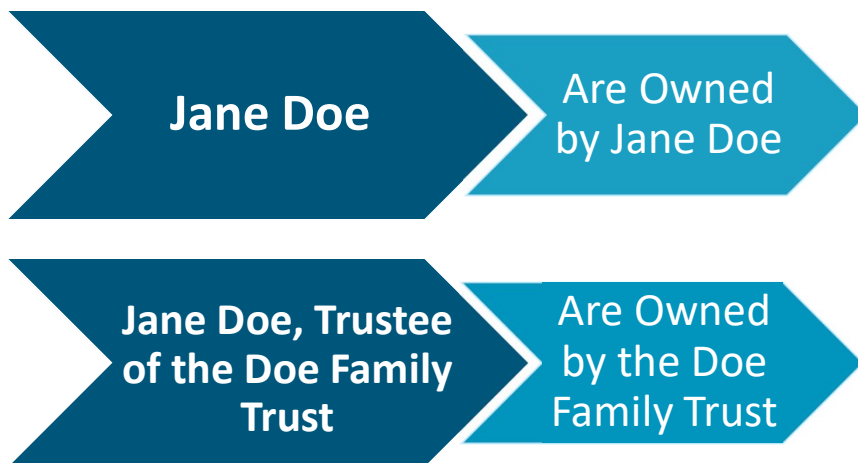


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Ownership of Assets (cont'd)

While Jane is alive, assets titled in the name of:

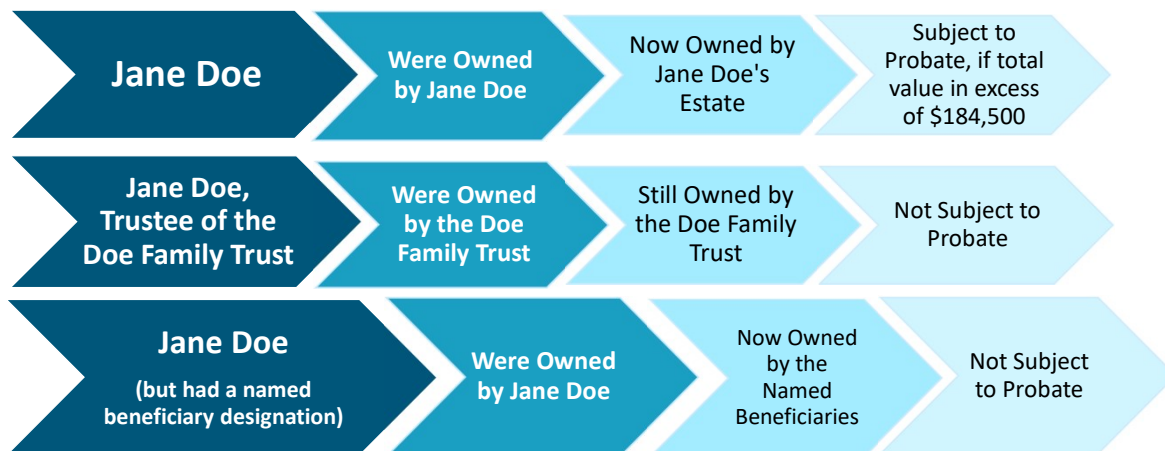


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Ownership of Assets (cont'd)

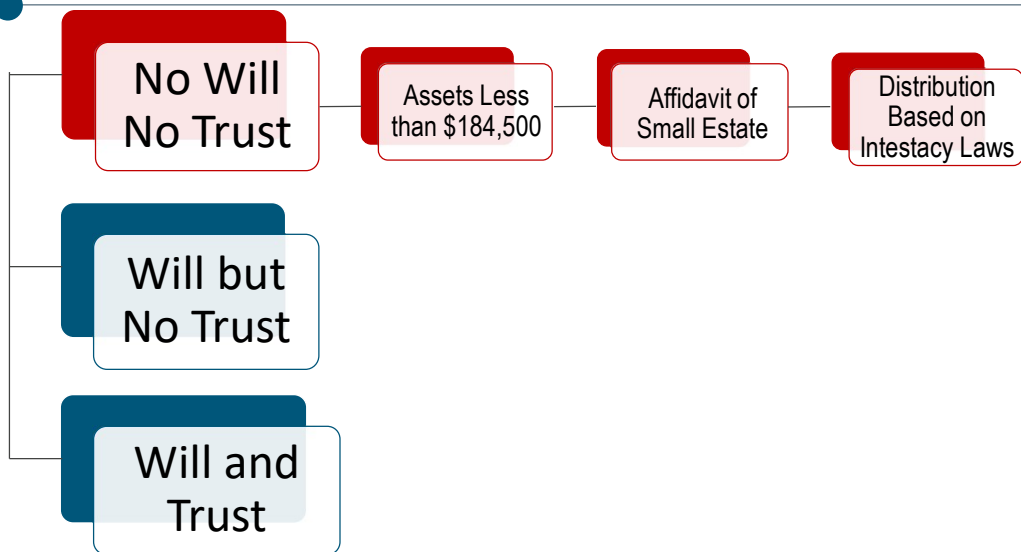
After Jane dies, assets titled in the name of:



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Decedent passes away. . .



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Affidavit Form

Affidavit for Collection of Personal Property California Probate Code Section 13100

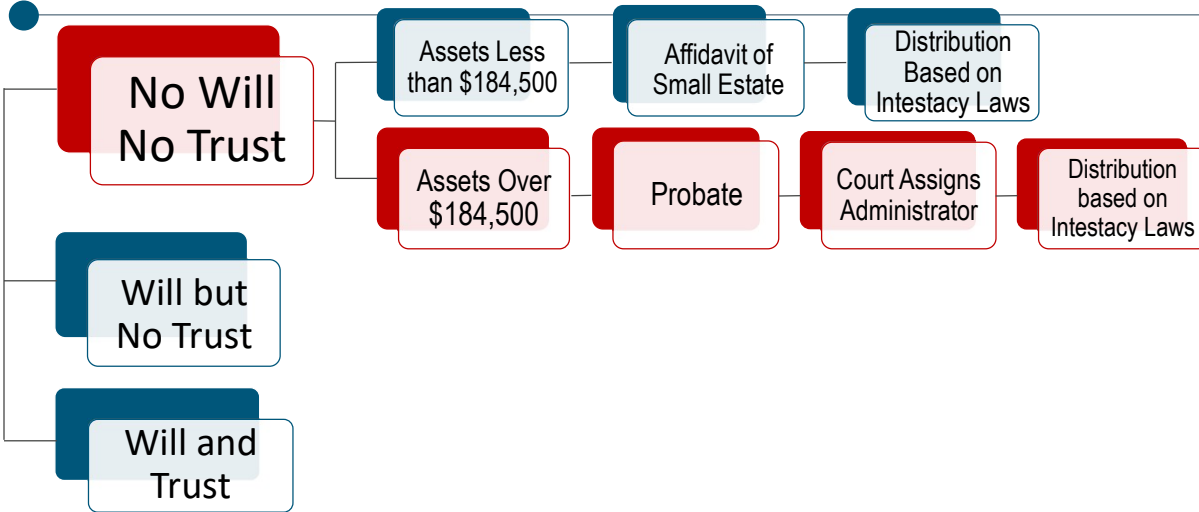
The undersigned state(s) as follows:

1. _____ died on _____, 20____, in the County of _____, State of California.
2. At least 40 days have elapsed since the death of the decedent, as shown in a certified copy of the decedent's death certificate attached to this affidavit or declaration.
3. No proceeding is now being or has been conducted in California for administration of the decedent's estate.
OR
 The decedent's personal representative has consented in writing to the payment, transfer, or delivery to _____

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Decedent passes away. . .



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California Statutory Fees & Commissions

Computations

4% on first	\$100,000
3% on next	\$100,000
2% on next	\$800,000
1% on next	\$ 9,000,000

Illustrative Fees

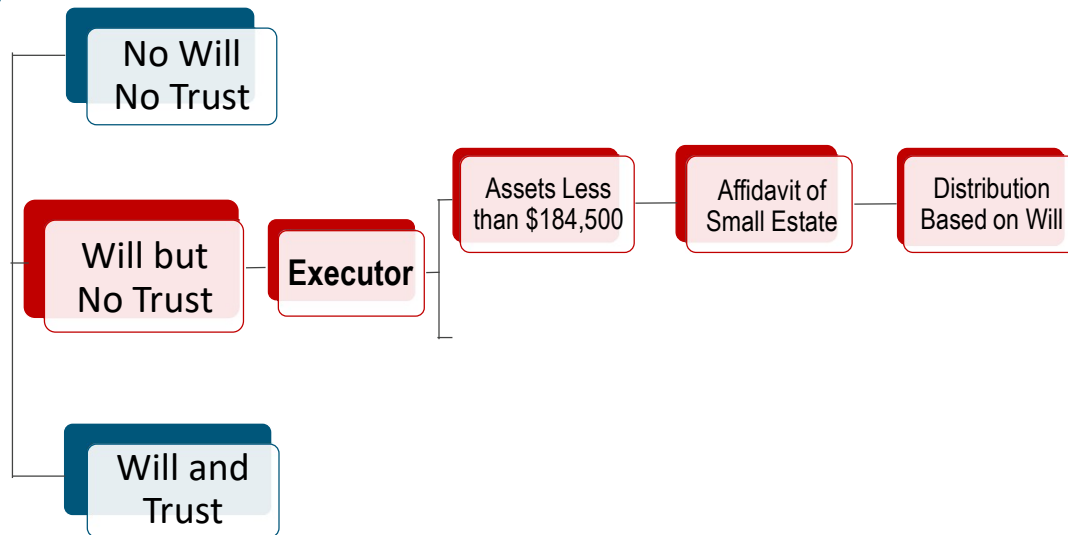
(no deduction for loans or set-offs)

Gross Value of Estate	Executor / Atty Fees**
\$ 250,000	\$ 8,000
\$ 500,000	\$ 13,000
\$ 750,000	\$ 18,000
\$ 1,000,000	\$ 23,000
\$ 1,250,000	\$ 25,500
\$ 1,500,000	\$ 28,000
\$ 2,000,000	\$ 33,000

**This amount for just one fee. If both executor & attorney take statutory fees, this amount is doubled.
Note: Added are court filing fees which vary, but start at \$320.00.

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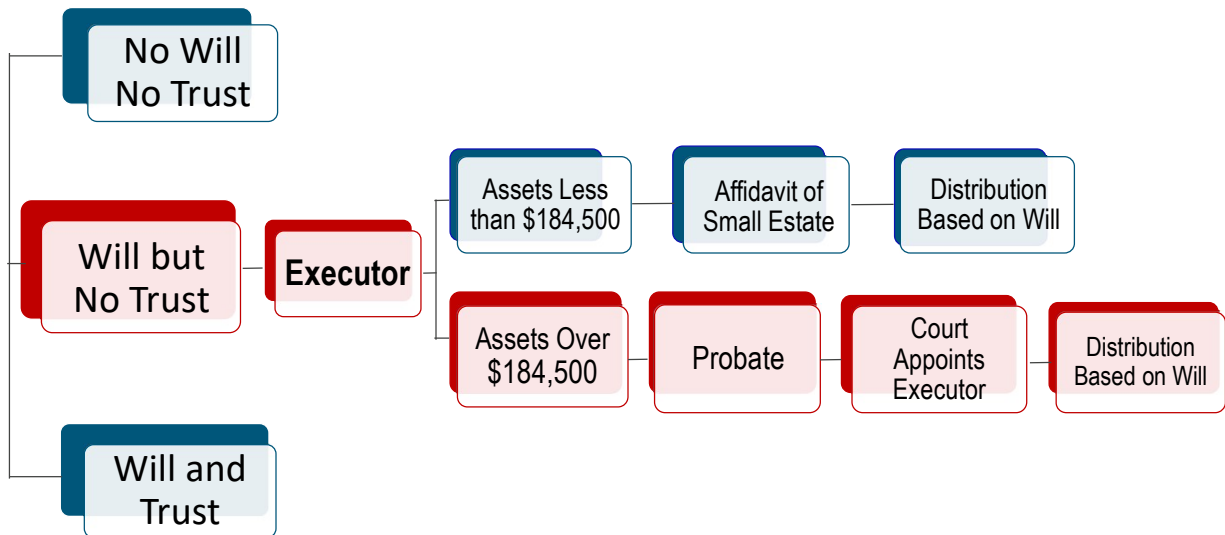
Decedent passes away. . .



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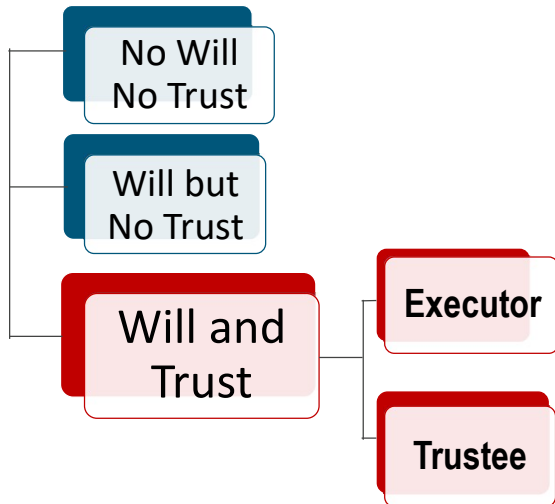
Decedent passes away. . .



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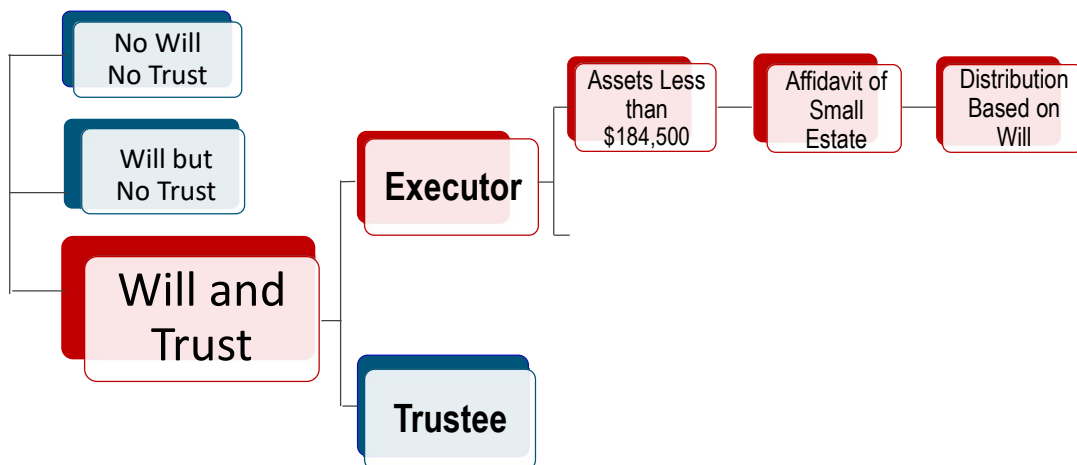
Decedent passes away. . .



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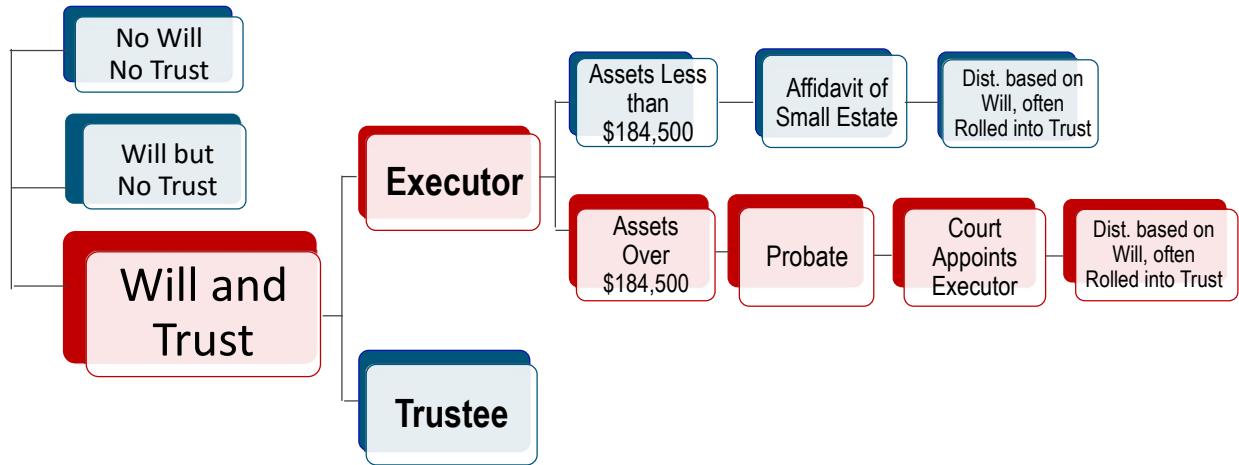
Decedent passes away. . .



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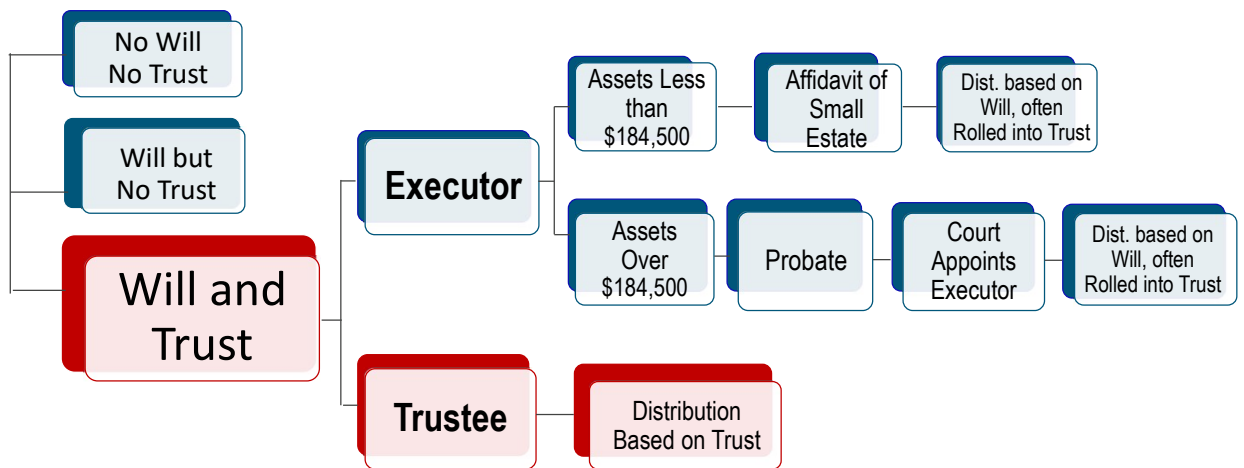
Decedent passes away . . .



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Decedent passes away . . .



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The Estate Players

Trustor/Settlor



**Person or persons
who create a trust**

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The Estate Players

Trustor/Settlor



**Person or persons
who create a trust**

Trustee



**A person or organization authorized
by a trust to hold and manage
property for benefit of beneficiary.**

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The Estate Players

Trustor/Settlor



Person or persons who create a trust

Beneficiary



Individual or organization to which gift of property is made

Trustee



A person or organization authorized by a trust to hold and manage property for benefit of beneficiary.

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The Estate Players

Trustor/Settlor



Person or persons who create a trust

Beneficiary



Individual or organization to which gift of property is made

Trustee



A person or organization authorized by a trust to hold and manage property for benefit of beneficiary.

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The Estate Players

Trustor/Settlor



Person or persons who create a trust

Beneficiary



Individual or organization to which gift of property is made

Trustee



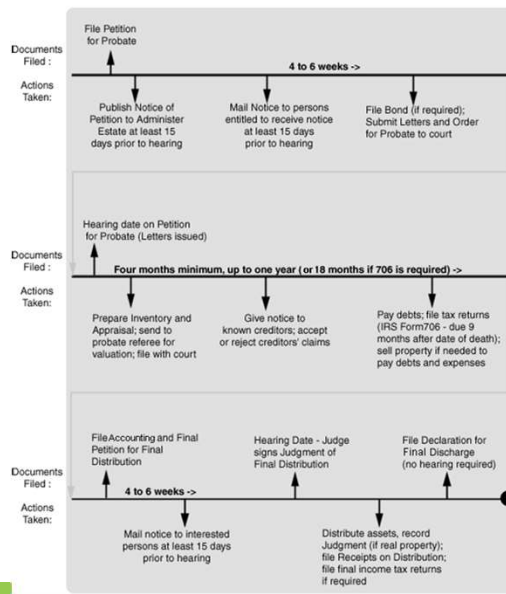
A person or organization authorized by a trust to hold and manage property for benefit of beneficiary.

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Probate Process

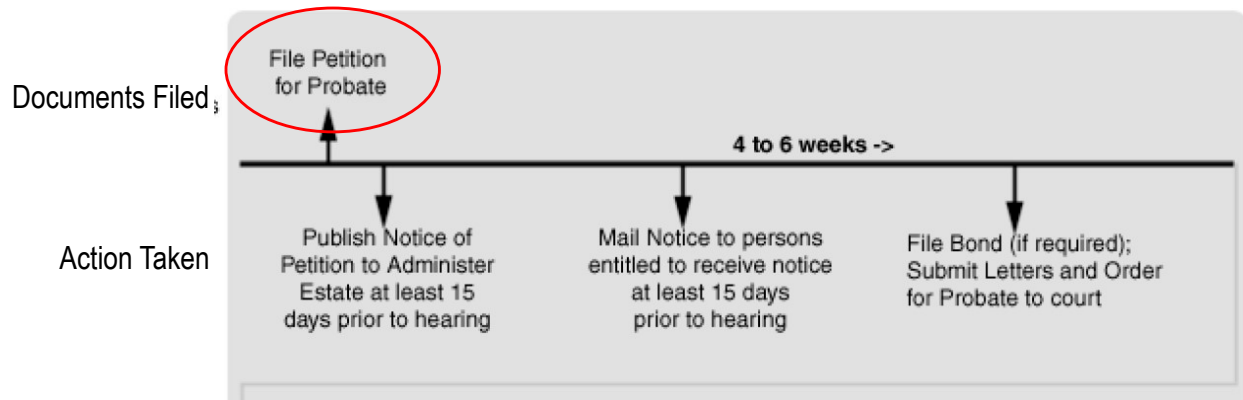
NOTE: This is a very simplified diagram of the probate process and is not intended to cover all possible situations arising in a particular estate. Please consult a qualified attorney if you have any questions about what is required in your particular estate

Diagram of the Probate Process



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Probate Process

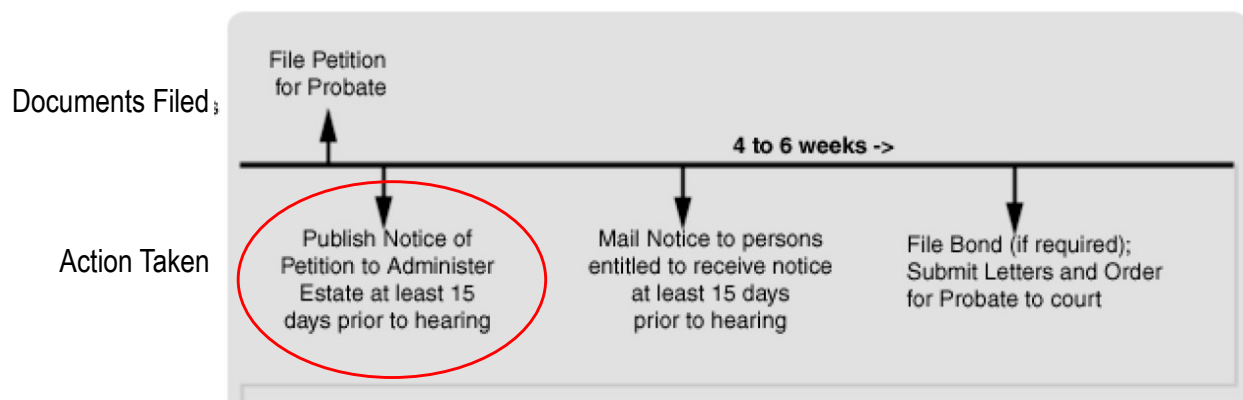


Simplified diagram – does not cover all possible scenarios

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Probate Process

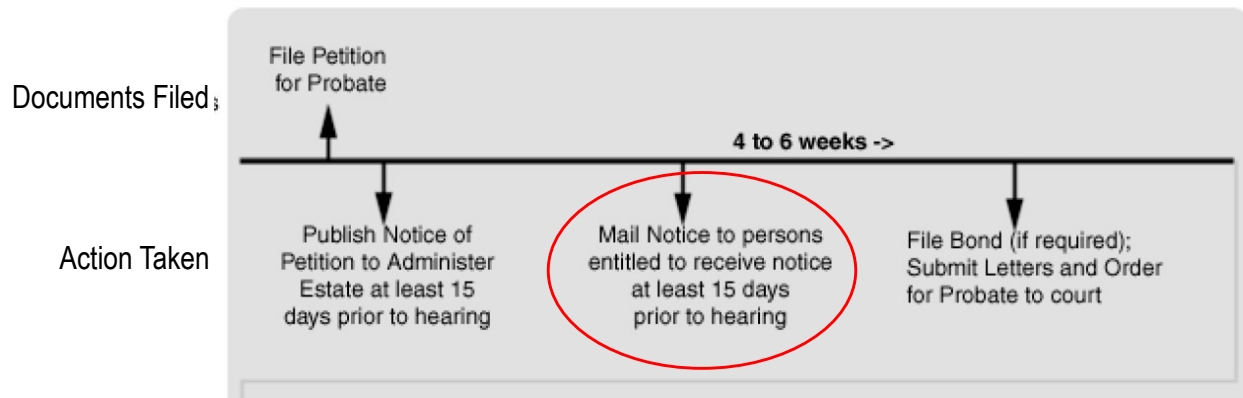


Simplified diagram – does not cover all possible scenarios

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Probate Process

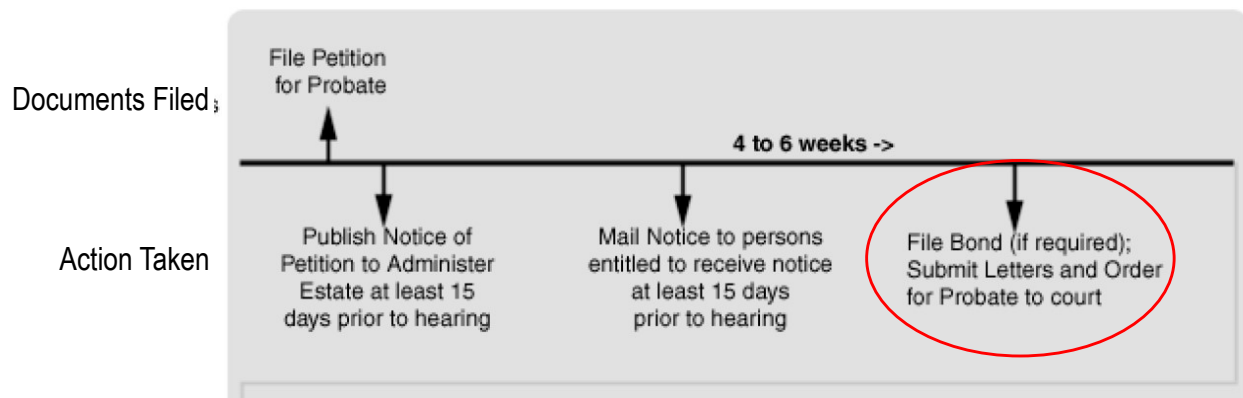


Simplified diagram – does not cover all possible scenarios

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Probate Process



Simplified diagram – does not cover all possible scenarios

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Probate Process

DE-147

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, state bar number, and address):		FOR COURT USE ONLY
TELEPHONE NO.:	FAX NO. (Optional):	
E-MAIL ADDRESS (Optional):		
ATTORNEY FOR (Name):		
SUPERIOR COURT OF CALIFORNIA, COUNTY OF		
STREET ADDRESS:		
MAILING ADDRESS:		
CITY AND ZIP CODE:		
BRANCH NAME:		
ESTATE OF (Name):		DECEDENT
DUTIES AND LIABILITIES OF PERSONAL REPRESENTATIVE and Acknowledgment of Receipt		CASE NUMBER:

DUTIES AND LIABILITIES OF PERSONAL REPRESENTATIVE

When the court appoints you as personal representative of an estate, you become an officer of the court and assume certain duties and obligations. An attorney is best qualified to advise you about these matters. You should understand the

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Probate Process

Documents Filed

Hearing date on Petition for Probate (Letters issued)

Four months minimum, up to one year (or 18 months if 706 is required) ->

Action Taken

Prepare Inventory and Appraisal; send to probate referee for valuation; file with court

Give notice to known creditors; accept or reject creditors' claims

Pay debts; file tax returns (IRS Form706 - due 9 months after date of death); sell property if needed to pay debts and expenses

Simplified diagram – does not cover all possible scenarios

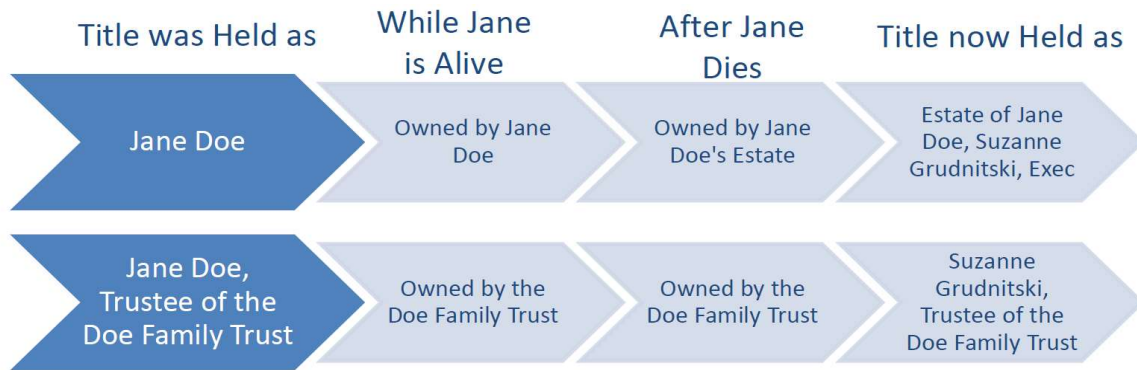
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Real Property

Secure & Insure all Real Property

- **Verify insurance coverage IMMEDIATELY**
 - Change ownership to estate



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Real Property

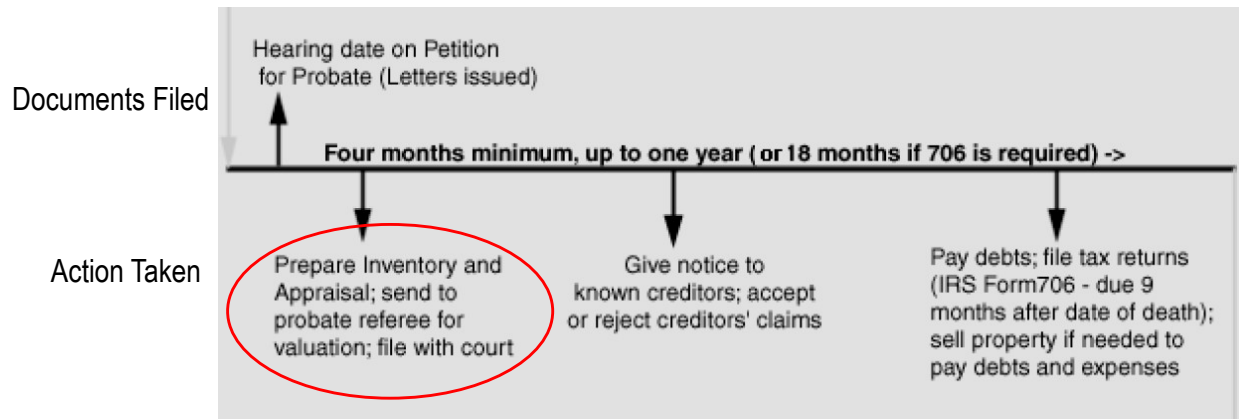
Secure & Insure all Real Property

- **Verify insurance coverage IMMEDIATELY**
 - Change ownership to estate
- Preliminary Change of Ownership Statement
- **Claim for reassessment exclusion for transfer from parent to child**
- Property Taxes

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Probate Process



Simplified diagram – does not cover all possible scenarios

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Inventory

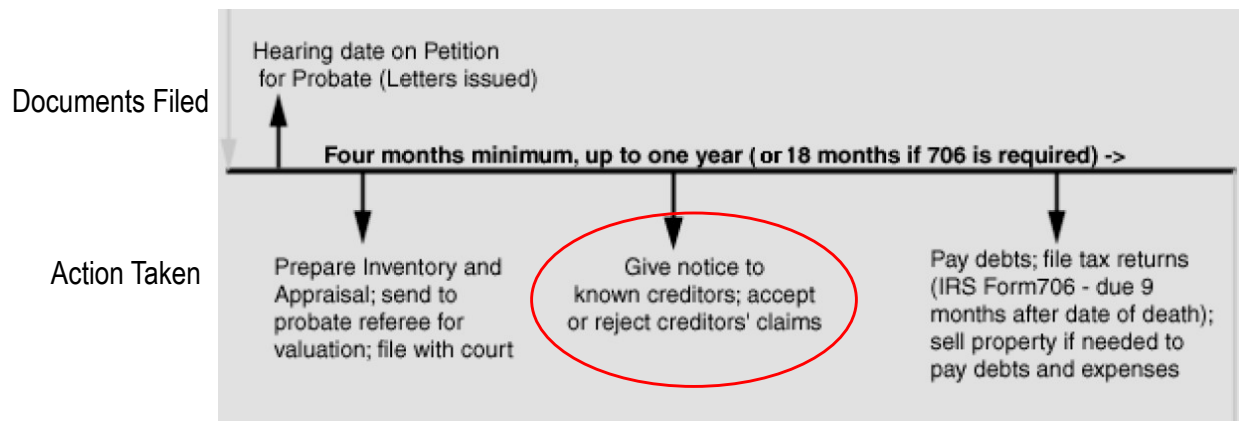
Locate & Marshal Assets

- **Check mail, financial statements, credit card bills**
- Unclaimed property websites in any state decedent lives or worked
- **Scour house for clues to assets**
- Credit checks
- **Review tax returns**

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Probate Process



Simplified diagram – does not cover all possible scenarios

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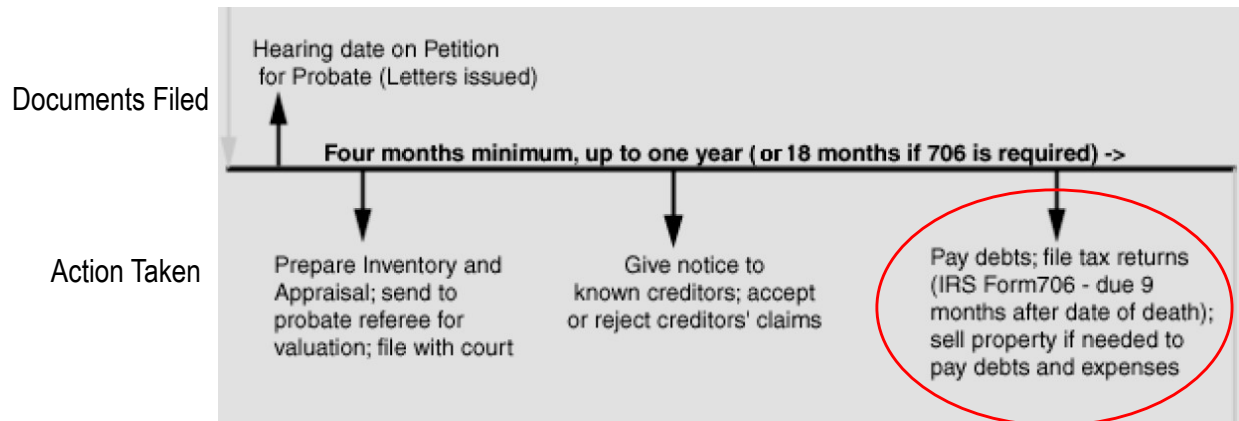
Notifications

- Heirs
- Financial institutions
- Employers
- Medicare
- Social Security Administration
- Department of Health Services
- Creditors
- Landlords
- Mortgage Holders
- Utilities

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Probate Process

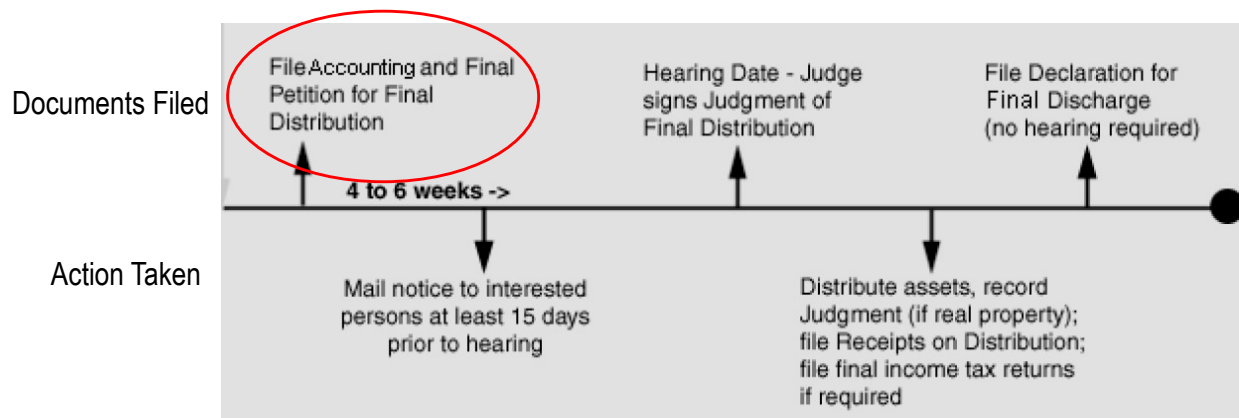


Simplified diagram – does not cover all possible scenarios

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Probate Process



Simplified diagram – does not cover all possible scenarios

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Probate Process

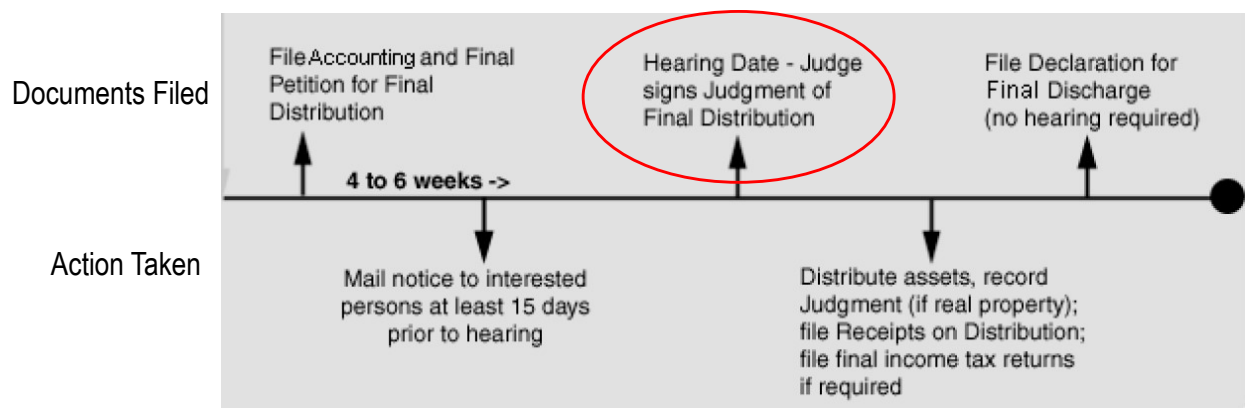


Simplified diagram – does not cover all possible scenarios

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Probate Process

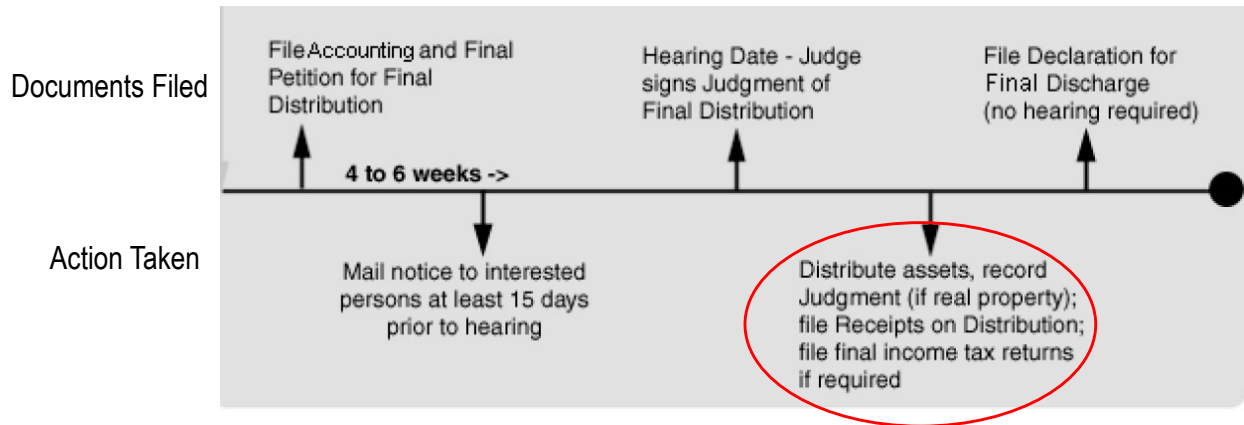


Simplified diagram – does not cover all possible scenarios

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Probate Process

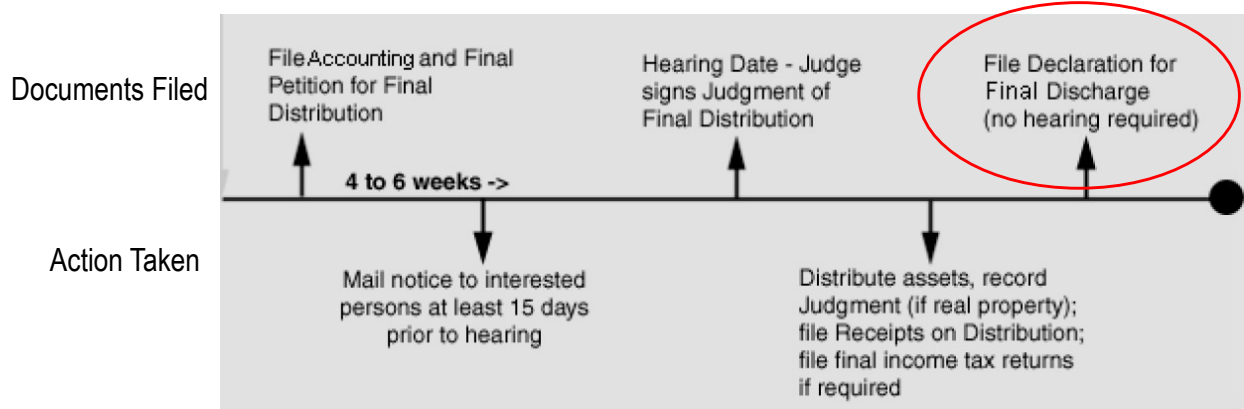


Simplified diagram – does not cover all possible scenarios

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Probate Process



Simplified diagram – does not cover all possible scenarios

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Forms

<http://www.courts.ca.gov/formnumber.htm>

DE-111 Petition for Probate

DE-147 Duties and Liabilities of Personal Representative

DE-150 Letters

DE-157 Notice of Administration to Creditors

DE-160-161 Inventory and Appraisal

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Forms

<http://assessor.lacounty.gov/forms>

BOE-502-D Change in Ownership Statement - Death of Real Property Owner

BOE-19-P Claim for Reassessment Exclusion for Transfer Between Parent and Child

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Estate Planning Guide

1. Set up great estate plan & keep it updated

- A. Express what you want and what you don't want
- B. Plans put you in control, not the courts**
 - ✓ Courts are public forums airing your dirty laundry
 - ✓ Courts cannot use "flexible" standards
- C. Things change. Anything can happen. . .
 - ✓ Deeds left out after refinancing
 - ✓ Children – birth and death
- D. Carefully consider who you appoint**
 - ✓ Difficult position to be placed in. . . Similar moral values?
 - ✓ Most items must be completed between 9 am and 5 pm

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Estate Planning Guide (cont'd)

1. Set up great estate plan & keep it updated (cont'd)

- E. Are the correct provisions included?
 - ✓ Property tax reassessment issues
 - ✓ Stretch of required minimum distributions (RMDs) of retirement plans that might run through the trust (5 vs. 10 years)
 - ✓ Asset-protection features for beneficiaries – bankruptcy, divorce, creditor claims, spendthrift & substance abuse issues, minors, disabled
- F. Tax issues have moved to avoiding/minimizing capital gains, property tax and income rather than estate tax**

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Estate Planning Guide (cont'd)

1. Set up a great estate plan and keep it updated
2. **Settling a decedent's estate is hard – consider appointing professionals**
 - A. Professionals don't necessarily cost more
 - B. **Not emotionally involved or grieving**

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Estate Planning Guide (cont'd)

1. Set up a great estate plan and keep it updated
2. Settling a decedent's estate is hard – consider appointing professionals
3. **Clean up your affairs now rather than leaving a mess for others**
 - A. Have you created or updated your balance sheet?
Where is it? Password protected?
 - B. **What are you leaving for others? Do they know?**
 - C. Funeral Ideas – Burial vs. Cremation

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Estate Planning Guide (cont'd)

1. Set up a great estate plan and keep it updated
2. Settling a decedent's estate is hard – consider appointing professionals
3. Clean up your affairs now rather than leaving a mess for others
4. **Communicate with your family about what you are doing and why**

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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

sandy.vandenberge@tmmc.com

310-784-4843

www.torrancememorialfoundation.org/news

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Definitions for Commonly used Probate Words

Administrator - A person appointed by the court to administer the estate of a person who died without a will.

Administrator with Will Annexed - A person appointed by the court to administer the estate of a person who died with a will, but this person was not named in the will to act as a personal representative.

Beneficiary - An individual or organization to which a gift of property is made.

Codicil - An amendment or supplement to an existing will.

Conservatee - A person determined by the court to be unable to protect and manage their own personal care or financial affairs, or both. A person who has a court appointed a conservator.

Conservator - A person or organization appointed by the court to protect and manage the personal care or financial affairs, or both, of a conservatee.

Conservator of the Estate - A person who handles the conservatee's financial matters - like paying bills and collecting a person's income — if the judge decides the conservatee cannot do it.

Conservator of the Person - Someone appointed by the court that cares for and protects a person when the judge decides that the person cannot provide their own care.

Decedent - A person who has died

Estate - A person's total possessions, including money, jewelry, securities, land, etc. These assets are managed by a fiduciary subject to a court order. Types of estates include guardianship estate, conservatorship estate, or decedent's estate.

Executor - The person named in a will to carry out the directions as set forth in the will. This person is the personal representative of the decedent's estate.

Fiduciary - A person with a legal responsibility safeguard the interests of another person, such as a guardian of the estate of a minor, a guardian, committee or conservator of the estate of an incompetent person, an executor of a will, or an administrator of the estate of a decedent.

Heir - A person who would naturally inherit property through a will, or from another who died without leaving a will.

Holographic Will - A will that is completely handwritten, dated and signed by the person making the will.

Intestate - When used about a person, intestate means not having made a legally valid will prior to death; when used about property, intestate means not effectively disposed of by a legally valid will.

Irrevocable Trust - A trust that cannot be changed at any time.

Letters - The court document that establishes the authority to act as a guardian, conservator, or personal representative (executor or administrator). In decedent's estates, an executor's letters are designated 'letters testamentary,' and an administrator's letters are 'letters of administration.'

Living Trust - A revocable trust set up during the lifetime of a person to distribute money or property to another person or organization. Also known as an inter vivos trust.

Personal Property - Anything owned by a person that can be moved such as money, securities, jewelry, etc.

Personal representative - An administrator or executor appointed by the court to administer a decedent's estate.

Petition - A written, formal request, properly filed with the Court, for a specific action or order. The petition is a pre-printed Court form in some cases, or written in proper format on pleading paper in others.

Probate - The legal process of administering a will. Also, the judicially supervised process for marshaling a decedent's assets, paying proper debts, and distributing the remaining assets to the persons or entities entitled.

Probate Court - The court that handles matters concerning wills and estates, such as the distribution of property or money to those named in a will. In California, the Probate Court also handles guardianships and conservatorships.

Property - Anything that can be owned such as money, securities, land, buildings, etc.

Real Property - Land and immovable objects on the land such as buildings.

Revocable Trust - A trust in which the person making the trust retains the power to revoke the trust.

Small Estates - A decedent's estate may avoid probate and have personal property transferred directly to an heir if the decedent's estate meets the requirements of California Probate Code § 13100.

Successor Fiduciary - the next person or organization appointed if a vacancy arises in a conservatorship, guardianship, or decedent's estate because of the fiduciary's death, removal, or resignation.

Testate - It is the condition of a person who dies leaving a will; opposite of intestate.

Testator - A person who makes a will.

Testamentary Trust - A trust created by the terms of a will to manage assets given to the beneficiaries.

Trust - An entity created to hold assets for the benefit of certain persons or entities, with a trustee managing the trust.

Trustee - A person or organization that has been authorized by a trust to hold and manage property for the benefit of a beneficiary.

Trustor - The person or persons who create a trust. Sometimes referred to as the Settlor.

Will - A written document that leaves the estate of the person who signed the will to named persons or entities. The document should be made according to law (California Probate Code § 6100) and is filed in a probate court after the person has died.