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GETTING STARTED WITH YOUR ESTATE PLANNING

How do I start the estate planning process?

The first step is to schedule an appointment to review your family, assets, and goals. At the end of the meeting, we will suggest different estate planning techniques that suit your needs and we will explain our fees. You can decide how you wish to proceed. Our first meeting is more productive if you have prepared for us the same information a probate judge or the IRS would want to know about you. Keep reading to learn more.

What should I prepare for the initial interview?

A financial statement is important. We want to know, account by account, what you own, how it is titled, the custodian's name and location, and approximate values. A list of your major assets and liabilities (debts), with approximate values, helps assess the appropriate will or trust, tax planning, and asset protection. Segregate "pre-tax" assets (like IRAs and qualified retirement plans) from "after-tax" assets (like checking and savings, regular investment accounts, money market accounts, etc.). Some people use a computer program or other form for creating a financial statement. Others simply sketch out their financial information on the attached Exhibit A. To identify potential executors, other fiduciaries, and beneficiaries, please complete Exhibit B. Also, gather copies of your existing estate planning documents. Your current will, any trust, and recorded deeds and powers of attorney are very helpful.

Can I just bring my files to the meeting for your review then?

We much prefer to have electronic copies of everything before we meet. That allows us to prepare for our initial meeting and to share with your fiduciaries on your death or disability. ***We <u>cannot</u> copy voluminous documents while you wait.*** *If you need help scanning, let us know. We can call a document service to scan all, return originals to you, and upload electronic copies for us. This service is cheaper than our hourly rates.*

Is there anything else that I should organize?

We need to know about your closely held business interests, the management, and co-owners. Articles of incorporation, bylaws, and share transfer ledgers, partnership agreements, limited liability company agreements, assumed name registrations, and buy-sell agreements are needed on death, and we like to review all now.

If you are a beneficiary under someone else's Will or trust, we want to review for powers of appointment. If you ever divorced, the divorce decree and property settlement agreement are important. Any pre-nup or other marital property agreement matters. Have you loaned money? Gather the note, amortization schedule, and payment ledger. Have you inventoried your safe deposit box? <u>We have a form</u> that can help.

Who inherits from me?

Who inherits is the most important estate planning question. With respect to the bulk of your estate, the answer is often very standard. Most married couples provide first for the surviving spouse and then for the children. Most parents ultimately leave their estates to their children in equal shares. Unmarried individuals without children should make a list of persons (or charities) they wish to benefit and the percentage share to each.

Who are my fiduciaries?

A fiduciary is a position of trust and responsibility. You should name one or more people or trust companies to be in charge on your death or disability. Usually, spouses name each other first in all positions of responsibility (except as guardian for minor children, which is automatic in most cases). The executors, trustees, agents and guardians that you name in your estate planning documents should be trustworthy, responsible people (collectively called “fiduciaries”). In some cases, a professional (such as a bank having trust powers or a private trust company) can be named as a fiduciary. You do not need to know exactly who you will name in every position before meeting with us. We can offer examples from similar families and help you make decisions. Preparation of your documents, however, will be faster if you come to the meeting having already listed the names, addresses and phone numbers of all persons who *might* be involved in your estate plan (see Exhibit B and further discussion below). It’s typical to name one primary and 1 or 2 alternate fiduciaries for each role.

Is there anything else I should think about in preparation for the meeting?

If you have any particular issues or concerns, such as disposition of your business in the event of your death, or providing for an adult disabled child who is receiving government benefits, you should make a list of those issues and concerns prior to meeting with us. You should also advise whether you are U.S. citizens and how long you have lived in Texas during the period of your marriage. If you have inherited assets, you should identify the inherited assets in your financial statement. It is also helpful if you can determine the current beneficiaries that you have named for your life insurance policies, IRAs and qualified retirement plans. If you are thinking of making relatively large cash gifts or gifts of other assets (*excluding* items that come within the general phrase “household furnishings and personal effects”), you might begin making a list of those persons and the amount or items that you are considering leaving to them.

I’m not prepared to do this much work before we meet.

Your financial advisor should be happy to provide a financial statement. We qualify prospective clients in part by their ability to locate and organize their information. We understand the task is difficult for some, especially those who relied on a spouse they lost. No one in need is disqualified based on responsiveness alone, but if a friend or family cannot help gather this much, that suggests the need for a trust company as executor and trustee, an expense most families cooperate to avoid.

We have a short list of questions we require you answer before confirming an appointment. A double dagger (“‡”) marks those on Exhibits A and B. If you return your Getting Started responses without answering those and do not respond to our followup efforts, your initial interview may be cancelled.

If I’m not ready now, how do we keep in touch?

We blog to share the latest estate planning changes and information with clients and colleagues. Enter your email address(es) here and we’ll subscribe you:

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Unsure about the blog? Visit bellaireprobate.com/blog and read to the end of any post for the subscription form.

EXHIBIT A
FINANCIAL STATEMENT

ASSETS	DESIGNATED BENEFICIARY[1]	HOW TITLED[2]	APPROXIMATE VALUE
Your home			
Other real estate[3]			
Oil, gas and other mineral interests[1]			
Stocks, bonds, mutual funds and other investments (“after-tax”)			
Cash, CDs, money market accounts			
Automobiles and other vehicles			
Valuable collections/collectibles/heirlooms			
Other household furnishings & personal effects			
Retirement assets, such as 401(k) plans, pension plans, IRAs, etc. (“pre-tax”)			
Life insurance (identify insured and show <u>both</u> death benefit <u>and</u> cash value, if any)			(Death benefit) (Cash value)
Closely held business interest (describe)			
Other miscellaneous assets (describe)			
Total Assets[2]**‡**			

Liabilities (Debts)	Current Balance
Mortgage on home	
Other real estate mortgages	
Personal debt (credit cards, car notes, etc.)	
Accrued taxes	
Other debts	
Total Liabilities	

Net worth for estate planning purposes (Total Assets[4] minus Total Liabilities)	

Do you have any real estate in another state or country? Tangible personal property, e.g., a boat, car, art or bullion? A bank, investment, or retirement account? ○ No ◉ Yes **‡** If yes, explain on page 5.

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[1] Current, actual designation (not just desired), as confirmed in writing by your bank, broker, annuity/insurance/employment benefits/other contract administrator, recorded TOD deed, or other formal document.

[2] Account by account, and owner by owner. If space does not allow here, write on page 5 or your own continuation sheet. “Titled” means the names on the deed, title, or account statement, e.g., “Homer Simpson and Marge Simpson, JTWROS.”

[3] Provide state and county. If foreign, note which country and political subdivision.

[4] Including life insurance death benefit but excluding life insurance cash value.

EXHIBIT B
FAMILY AND PERSONAL INFORMATION

General Personal Information

	Individual/Spouse 1	**Spouse 2**
Full legal name:	____________	____________
Other names used:	____________	____________
Preferred signature name:	____________	____________
Phone: ‡	____________	____________
E-mail: ‡	____________	____________

Home address: ‡ (actual residence; no P.O. boxes)
Street: ____________
City: ____________
County: ____________
State, ZIP: ____________

Birth date (and age):	____________	____________
Soc. Sec. No.:	____________	____________
Citizenship: ‡	____________	____________

Date of marriage: __________ at City of __________ , State of __________

Is your marriage: ☐ Ceremonial or ☐ common-law? If common-law, did you file an affidavit of informal marriage? If yes, in County, State of

How long have you lived in Texas?	____________	____________
Occupation:	____________	____________
Employer:	____________	____________
Bus. address:	____________	____________
	____________	____________
	Phone: ____________	Phone: ____________
	E-mail: ____________	E-mail: ____________

Children, Grandchildren

Please list all children of either of you below. For each child, please indicate: (i) the child's name (if the child has a preferred name, please put it in parenthesis after the legal name) and occupation; (ii) gender (male or female); (iii) date of birth; (iv) whether the child is the husband's only (H), the wife's only (W), a child of both (B); and (v) the child's approximate net worth. If any child is adopted by either of you, please indicate. If any child is deceased, please indicate the date of death. If any child was given up for adoption, please indicate whether the court's adoption order terminated the child's inheritance rights.

NAME & OCCUPATION	M/F	BIRTH DATE	H/W/B	ASSETS

Note: For each child who does not live at home with you, please mark an "X" or make a check mark in front of that child's name and **LIST THAT CHILD'S NAME <u>BELOW</u>** (or on a separate page), **ALONG WITH HIS OR HER COMPLETE ADDRESS** (including street, city, county, state, and ZIP code if possible), **AND PHONE NUMBER**.

Are additional children in the future (including adopted children) even *remotely* possible? ______ (Y/N).

Other Family Members and Friends Involved in Your Estate Plan

If either of your parents is living *and if they might be involved in your estate plan*, please list them below. Additionally, please list any brothers, sisters, or other relatives or friends who might be involved in your estate plan (as executor or trustee, as guardian for your minor children, as a recipient of any specific gift, as a beneficiary of a trust, etc.). Be sure to include each person's complete name, age and occupation. Home address should match the person's driver's license or identification card.

NAME/AGE/OCCUPATION	RELATIONSHIP*	HOME ADDRESS AND PHONE NO.

*E.g., "H mother," "W brother," "B friend," "Our friend," etc.
H = husband; W = wife; B = both; S1 = spouse 1; S2 = spouse 2

Other Advisors

If you have another attorney, or a CPA, insurance agent, financial advisor, stockbroker, trust officer, or other professional advisor, *and if they might be involved in your estate plan, or if you think we may need to discuss aspects of your estate plan with them*, please list them below.

NAME/COMPANY	PROFESSION	ADDRESS AND PHONE NO.

Other mandatory screening questions

Is anyone involved in your plans (you or a spouse, child, grandchild, or other family or any fiduciary, e.g., your executor) receiving needs-based governmental benefits, such as Medicaid or SSI? (Medicare is not a needs-based program) ______ (Y/N). ‡ If so, list their names: ____________________

If married, will both spouses attend the initial interview? ______ (Y/N). If no, please explain. ‡

____

Regardless, both spouse's residence and other information is required (page 4). ‡

Will anyone else attend the initial interview? If so, what's their name? Their relationship to you? ‡

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Is there a deadline we need to consider, such as upcoming travel or surgery? ‡

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Continuation space

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