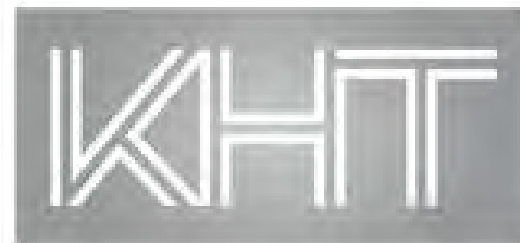




# INTRODUCTION TO ESTATE & LEGACY PLANNING



Krueger Hernandez  
& Thompson SC

*Attorneys at Law*



# LET ME INTRODUCE MYSELF ...

- **Attorney at Law since 2010**
- **B.A. in Social Work & Legal Studies**  
University of Wisconsin - Madison
- **Juris Doctorate**  
Southern Illinois University
- **Owner of Krueger, Hernandez & Thompson**
- **Member of the American Academy of  
Estate Planning Attorneys**

**Stephanie Thompson**



# LET ME INTRODUCE MYSELF ...

- **Attorney at Law since 2016**
- **B.A. in Philosophy**  
Eastern Illinois University
- **Juris Doctorate**  
University of Wisconsin - Madison
- **Associate Attorney**  
Krueger, Hernandez & Thompson

*Sadie Minobe*

# TOPICS WE WILL COVER:



- ✓ Why traditional planning has failed most Americans
- ✓ Legacy Wealth Planning  
\*Critical reasons to plan
- ✓ Team of Trusted Advisors
- ✓ Questions & Answers

# TRADITIONAL PLANS ONLY FOCUS ON MONEY

## Narrow View of What's Valuable

- Maximize income
- Avoid court costs
- Reduce taxes
- Eliminate fees
- Control distributions



# WE BELIEVE IT'S THE WRONG FOCUS

## Traditional Planning

Focus only on protecting and  
maximizing finances



## Legacy Wealth Planning

Looks at everything that  
impacts the family



# OUR VISION IN ACTION

## Legacy Wealth Planning for Total Wealth

- Managing wealth during life
- Distributing the estate
- Passing on a legacy, including:
  - Core values, wisdom, life lessons
  - Family stories and heirlooms

## Team of Trusted Advisors

- Estate Planning Attorney
- Financial Advisor
- Insurance Agent
- CPA





WHEN  
DOES AN  
ESTATE EXIST?

Everyone has  
an estate...

**NOW!**



# WHAT IS AN ESTATE?

All Property & Assets Make Up an Estate



- A Home, real estate
- Bank accounts and cash
- Life insurance
- Personal property
- Retirement plans
- Vehicles
- Business interests
- Stocks, bonds, mutual funds
- Family heirlooms, life stories, etc.

# WHAT'S MOST VALUABLE?

## CLIENTS TELL US IT'S:

- Family
- Health
- Friends
- Values
- Skills
- Relationships
- Accrued experiences



Krueger Hernandez  
& Thompson SC  
*Attorneys at Law*



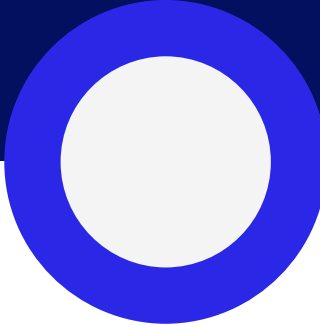
# LEGACY WEALTH PLANNING



Protection of  
all financial  
wealth



Family  
Wealth  
Trust



Family  
values,  
stories, and  
non-financial  
assets

# WHY MOST ESTATE PLANS FAIL

## BARE-BONES ESTATE PLANS

Poor Documents

No Nursing Home Protection



No Funding

No Timely Updates

No Remarriage or Divorce Protection

No Creditor Protection



No Protection for Special Needs Children

Family Legacy Not Captured

# CRITICAL REASONS TO PLAN

## DURING LIFE

- Disability
- Living Probate
- Long-Term Care Expenses
- Special Needs
- Minimizing Taxes

## AFTER DEATH

- Funeral Costs & Arrangements
- Probate & Estate Administration
- Death Taxes
- Protection for Family
- Non-Financial Legacy

# CRITICAL REASONS TO PLAN DURING LIFE



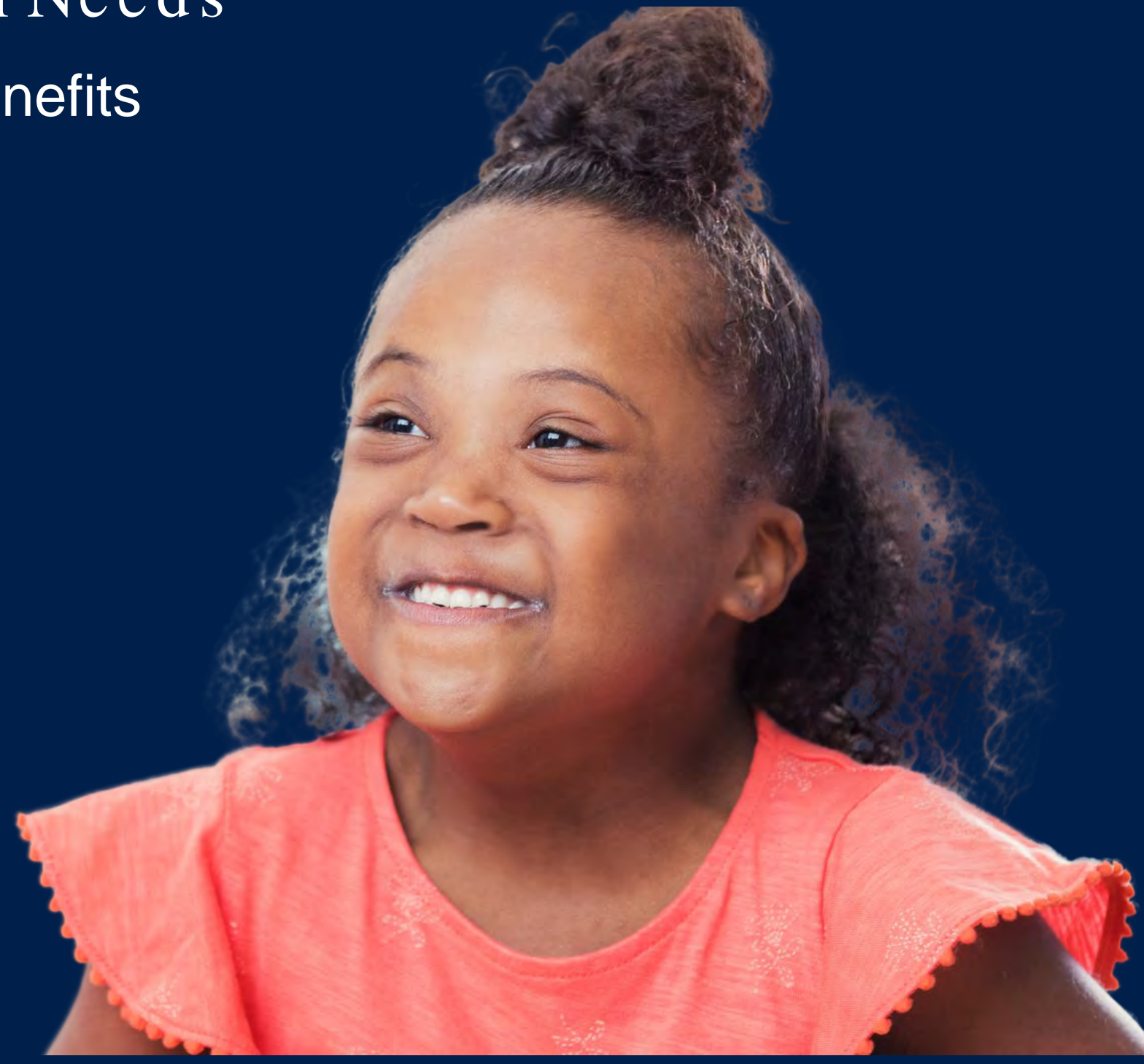
## Health Emergency or Disability

- Nightmare of Living Probate
- Court in control
- Humiliating
- Loss of privacy
- Time consuming
- Expensive

- Court fees
- Attorney fees
- Accounting fees
- Conservator fees

# CRITICAL REASONS TO PLAN DURING LIFE

Family Members with Special Needs  
Preserve eligibility for government benefits





# CRITICAL REASONS TO PLAN DURING LIFE

## Long-Term Care Expenses

Only 4 ways to pay:

- Savings
- Long-term Care Insurance
- Medicare
- Medicaid



# CRITICAL POST-DEATH REASONS TO PLAN

## FUNERAL ARRANGEMENTS



Avoid  
family feuds



Wishes carried  
out with love  
and respect



Ease the burden  
on surviving  
family members



# ESTATE TRANSFERS CAN BE COMPLICATED

- Joint ownership issues
- Assets in different states or countries
- Children with disabilities
- Transfers to minors
- Unreliable beneficiaries

# CRITICAL POST - DEATH REASONS TO PLAN

## Death Probate

*\*Die with no estate plan –  
intestate probate*

## What Happens?

- \*Resolves disputes*
- \*Pays creditors*
- \*Inventory & appraise assets*
- \*Changes title to assets*
- \*Distributes estate*



# WHY AVOID DEATH PROBATE?

Can be expensive

- Court Fees
- Publications & Bond Fees
- Executor & Attorney Fees
- Appraisal Fees
- Debts and Claims
- Possible forced liquidation of assets to pay costs

Time Consuming

Open to the Public

Multiple Probates



# CRITICAL POST - DEATH REASONS TO PLAN



Federal Estate Tax

- Only on estates more than \$5 million

State Death Benefit

Income Taxes on Heirs

# CRITICAL POST - DEATH REASONS TO PLAN

Protection for Your Family

\*Avoid family fighting over money...

\*It should be a time that brings the family closer together, rather than tear it apart



# CRITICAL POST - DEATH REASONS TO PLAN

## Remarriage Protection for Surviving Spouse

- Protection if spouse remarries
- Prevent assets from going to a stranger instead of children
- Planning considerations for blended families



# CRITICAL POST - DEATH REASONS TO PLAN

## Blended Families

- Yours, Mine & Ours
- Each family has unique needs







# CRITICAL POST - DEATH REASONS TO PLAN

## Divorce Protection for Children and Grandchildren

- Protection of children's inheritance if they divorce
- Up to 50% of assets could walk out the door with a future ex in-law



# CRITICAL POST - DEATH REASONS TO PLAN

## Financial Maturity

“Clients’ biggest concern for their wealth after they’re gone is that someone will take financial advantage of their children or grandchildren.”

Financial Planning Magazine

# CRITICAL POST - DEATH REASONS TO PLAN

## Creditor & Lawsuit Protection for Beneficiaries

- Avoid legal “predators”
- Creditors
- Creditors of Heirs

**CREDITOR**

# PLANNING OPTIONS

Do nothing

- Die “intestate”
- Probate guaranteed

Hold assets in Joint Tenancy

- Could trigger Gift Tax
- Creditors can go after property

Create a Last Will & Testament

Create a traditional Living Trust

Create a full-featured Legacy Wealth Plan



Krueger Hernandez  
& Thompson SC

*Attorneys at Law*

# PLANNING OPTIONS

## Legacy Wealth Plan

- Family Wealth Trust
  - Family Access Trust
  - Family Sentry Trust
  - Family Retirement Preservation Provisions
- Pour-Over Will
- Property Agreement
- Property Power of Attorney
- Health Care Documents
- HIPAA
- Funeral Trust



# FAMILY WEALTH TRUST SOLUTIONS

- Disability Protection
- Probate Protection
- Spousal Remarriage & Divorce Protection
- Spousal Lawsuit & Creditor Protection
- Nursing Home Protection with Medicaid Protection Trust
- Death Tax Protection

- Retirement Plan Protection
- Divorce Protection for Heirs
- Lawsuit & Creditor Protection for Heirs
- Special Needs Protection
- Allows Incentives
- Protection of Family's Non - Financial Assets



WHO HAS AN ESTATE PLAN?

Only 3 in 10  
Americans have an  
estate plan

# WHY PEOPLE DON'T PLAN?

#1 REASON IS PROCRASTINATION

\*I'll think about it tomorrow....

\*Reluctant to face their own mortality





# WHY PEOPLE DON'T PLAN?

#2 REASON - Lack of Knowledge

\*Continuous changes in the law

\*Traditional estate planning doesn't  
cover today's concerns





# WHY PEOPLE DON'T PLAN?

#2 REASON - Lack of Knowledge

\*Ignorance of Intestacy Laws

\*People may think that:

- Government will handle it
- It will be fair
- Its plan will probably be the same as mine

# WHY PEOPLE DON'T PLAN?

## #2 REASON - Lack of Knowledge

- Mistakenly believe it's easy
- Why they believe death transfers are easy:
  - Lack of experience with Probate process
  - Believe death transfers are same as lifetime gifts
  - Believe planning is only for the wealthy



# THE TEAM OF TRUSTED ADVISORS

## ONE GOAL

- Create and implement an effective plan to achieve the client's goals

## TEAM MEMBERS

- Clients
- Accountant
- Investment Advisor
- Trust Officer
- Estate Planning Attorney



# THE ESTATE PLANNING TEAM

## *The* CLIENT



### The Client

- Provides the plan's objectives
- Provides necessary personal & financial information
- Makes critical decisions along the way
- Final word on what will work for client and family

# THE ESTATE PLANNING TEAM

## The Accountant

- Can provide complete picture of the client's finances
- Can resolve valuation issues
- Can provide tax input on various plan proposals





# THE ESTATE PLANNING TEAM

Investment Advisor

\*Identifies those with estate planning needs

\*Provides motivation and education on the benefits of planning

\*Places appropriate insurance policies and investment strategies in place to make it work



# THE ESTATE PLANNING TEAM

Trust Officer/Trust Departments

\*Client may want professional Trust  
management

\*Trust officers are in the professional  
management business



# THE ESTATE PLANNING TEAM

Estate Planning Attorney

- \*Provides legal analysis and advice
- \*Strong voice in plan design
- \*Drafts all legal documents
- \*Estate planning attorney not a general practitioner



# PART 1: INTRODUCTION TO ESTATE & LEGACY PLANNING

## REVIEW QUESTIONS

- Why has traditional planning failed most Americans?
- What is Legacy Wealth Planning?
- What are critical reasons to plan
  - During life?
  - Post-death?
- How does a team of Trusted Advisors fill a need that families are demanding and create a new market?





ANY  
QUESTIONS?