



Four Peaks Planning, Inc.
Estate Planning

FOUR PEAKS PLANNING, INC. has been dedicated to providing quality revocable living trust estate plans affordable to Arizona families since 2003.

Families may find revocable living trusts help prepare for a variety situations that result in life. Common uses include:

- Ensuring assets are manageable during an incapacitation
- Maintaining a residence for dependents
- Reducing the time and potential costs to transfer an estate via probate
- Distributing inheritances to younger beneficiaries in stages rather than lump sums

Our estate planners and attorneys will help you identify specific goals and prepare the proper legal documents.

Other common estate planning documents include a last will & testament, medical and financial powers of attorney for incapacitations, and a living will directing the use of life support. We offer a comprehensive package with the above documents including a deed to transfer one Arizona real estate property to your living trust, for \$1,000.

Teachers, firefighters, police, military personnel and veterans are eligible for discounts. Families with young children are also eligible for discounts. Call for discounts.

The following pages will help you understand the differences between last & testament- and living trust-based estate plans, determine your initial goals and narrow options on who will be named in different sections of your estate plan.

If you have any questions, contact us anytime

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	Power of Attorney or Successor Trustee	Without Power of Attorney
<p>Incapacitation / Conservatorship If you are mentally or physically incapacitated you may need someone to manage your assets, such as keeping monthly bills paid.</p>	<p>They must follow strict guidelines written in your financial power of attorney living trust for maintaining your affairs and assets.</p>	<p>A conservator is appointed when a court decides that you cannot make basic decisions. The courts step in to prevent someone from taking control of your assets and misusing them. At this point, your records and proceedings are open to the public. The court costs, legal bills, fees and bonds can be taken from your estate.</p>
	Living Trust	Durable Power of Attorney
<p>Power of Attorney Appoints medical and financial decision-making powers</p>	<p>The successor trustees of a trust act in place of a financial power of attorney.</p> <p>Working with banks and financial institutions is typically easier. Third parties such as banks are often more comfortable dealing with a successor trustee than they are dealing with a durable power of attorney.</p>	<p>Important for medical reasons but dependable for all financial needs. A durable power of attorney has a few downsides if used alone. Some banks and financial institutions require custom power of attorney forms to be signed. Another downside is the easy access a durable power of attorney will have. This could open up the risk to giving someone access to your funds without accountability.</p>
	Living Trust	Last Will and Testament
Likelihood of Probate	<p>None, if assets are properly titled, have beneficiaries already listed or placed in the trust.</p>	<p>In Arizona, real estate over \$75,000 or other assets totaling \$50,000 triggers probate.</p>
Average Length of Probate	<p>No probate if assets are properly placed in the trust.</p>	<p>Probate takes a minimum of 4 months and often takes 6 months to 2 years depending on the complexity of the estate.</p>

	Living Trust	Last Will and Testament
Privacy	Yes.	No. Your files can be accessed through the records office upon your death or in case of conservatorship.
Control of Assets	Yes. You have full control of assets just as you hold them now.	Yes.
Can Changes Be Made During My Lifetime?	Yes. Revocable means the original creators of the trust (you) can change the language at any time.	Yes.
Guardianship of Minors	Yes via a Pour Over Will.	Yes.
Maximize Federal Estate Tax Exemptions	Yes.	No.
Ease of Contesting by an Omitted Heir	<p>Trusts are very difficult to contest. To invalidate a living trust you would have to prove the trust's creator was under duress not only on the day it was signed but each and every day it was in existence thereafter.</p> <p>Assets in a living trust are not frozen during a legal challenge.</p>	<p>To invalidate a will you must either prove it was signed under duress or that the maker was incompetent on the day it was signed.</p> <p>During a legal challenge the assets are frozen and cannot be distributed until the claim is resolved.</p>



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Identify Estate Goals

Learn more about the topics below and more at www.FourPeaksPlanning.com

Check any topics applying to you. Add additional topics on back of page.

- Guardians for Children.** A last will & testament is essential for parents wanting input on their children's guardians. Otherwise, the state of Arizona alone determines guardianship.
- Separate Responsibilities.** A trust can separate the responsibilities of guardians and those managing the children's money.
- Control Distributions.** A living trust can hold money until a predetermined age or make partial distributions as beneficiaries reach certain ages, to avoid a lump sum payout to an young adult. Early partial distributions for reasonable education, health, maintenance or support requests can be approved by your pre-appointed Successor Trustees.
- Assist Blended Families.** If the deceased spouse owns the primary residence, a trust may allow a surviving spouse to continue living in the home before the home is distributed to the deceased spouse's heirs.
- Special Needs Provisions.** Inheritances for a beneficiary already receiving disability income person can legally be held in a trust (unless needed) to prevent disruptions of disability income.
- Avoid Probate.** Some assets already avoid probate: life insurance, retirement accounts and other assets listing living beneficiaries. In Arizona \$75,000 of real estate or \$50,000 of other assets combined can trigger probate. Actual costs associated with probate courts are relatively inexpensive. But the process, according to studies in Arizona, can delay transfer of the estate by 6 to 18 months. In addition, costs can increase quickly if legal help is needed or the estate is contested.
- No Contest Clauses.** Living trusts contain No Contest Clauses revoking inheritances from those contesting your estate.
- Minimize Taxes.** Unless your estate is over the estate tax limit (in 2009: \$3.5 Million), your estate will likely have no estate taxes due. Married couples can double their estate tax exemption using features of a living trust. Most Arizona resident's tax issues will be limited to having a final tax return prepared. Living trusts do not affect your affect income taxes.
- Provide for Pets.** Pet food and vet visits can be costly. A trust can set aside a sum of \$5,000 - \$10,000 to reimburse the person who is kindly taken care of your pets. Any amounts left after your pets have passed can be returned to the estate or given to a charity.



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People in Your Estate Plan

Before creating your estate plan, take time to review these decisions.

For some plans, adult children can fill most of the roles listed below.

You will eventually need the full legal names of the people below to create your plan.

1. List 2-3 people you would consider to make medical decisions if you are incapacitated.
2. List 3-4 people to make your financial decisions if you are incapacitated and distribute your estate once you have passed.
3. List 2-3 people to act as Guardians of any minor children.
4. How and to whom do you wish your estate divided after you (and a spouse) pass?
Focus on percentages. Do not list small personal items such as jewelry, furniture, etc.
5. If your beneficiaries above pre-decease you, who are the next beneficiaries?
6. At what age do you think you could have maturely handled a lump sum gift of \$100,000?

Remember: Your estate plan, if revocable, can be changed by you any time. A reasonable goal is to name enough back-ups in roles above for the next ten to fifteen years, with the possibility of many more years than that.

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