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**Loomis Legal Roundup**

## It Pays to Know the Basics of Estate Planning

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For many people, the words “estate planning” evokes emotions of fear and bewilderment. Once reserved for the rich, estate planning is now something everyone should be aware of and give some serious thought, no matter how much you have.

### **Minimizing the challenges for your heirs**

Anyone who has been an executor or trustee can speak first-hand of the issues that arise when someone becomes incapacitated or passes away. Dealing with bank accounts; real estate; interests in businesses; and personal property such as cars, coins, collections, furniture; can all attest to the multitude of tasks and issues that arise during this process. Without proper planning, these tasks can result in unnecessary expense and delays for those who are left to deal with it.

The good news is that many simple tools are available to everyone to make the process easy for those you care about most.

### **Advantages of a will**

A properly-written will identifies: 1) who handles your affairs when you pass away, 2) who and how you wish your assets to go to, and if applicable, 3) who will be the guardian of your minor or special needs children. Having a will is the foundation of good estate planning and everyone should have one. If you pass away without a will, then your heirs will have to rely on the courts to wrap up your affairs, a confusing and often expensive legal process.

### **Benefits of a trust**

If your estate is or will be worth more than \$150,000, you may wish to consider placing your assets in a revocable trust. Revocable trusts provide several very attractive features:

1. They allow your assets to be passed to your beneficiaries without having to go through the costly and time-consuming legal probate process.
2. They are private and include information such as your assets and beneficiaries to keep them away from the prying eyes of creditors, scam artists, and others who may think they have a right to your property when you pass away.
3. They allow you to provide for business succession; to hold assets in trust for young children, children with problems or special needs, or children from a previous marriage; to create

incentives for beneficiaries to go to college, stay off drugs; or take care of properties until one or more life tenants move out.

4. Finally, trusts can help to reduce or avoid federal inheritance taxes.

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