

LEE LAW CENTER

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ESTATE INSTRUMENTS EXPLAINED

I. Revocable Living Trust :

A revocable living trust is a device that can help you avoid probate and save on estate taxes. If the gross value of your estate in California is over \$150,000 (virtually anyone who owns a home in California), then your estate must be probated upon your death. Probate takes approximately twelve to eighteen months and costs roughly 3-5% of the **gross** value of your estate. That essentially means if you own a home roughly 2 years later your beneficiaries will be deprived of \$35k to \$75k on average.

II. Pour-Over Wills:

A will is the place where you name guardians for your minor children. It also serves as a back up to the trust. If some of your assets don't make it into the trust prior to death (e.g., you open a new bank account and forget to take title in the name of the trust), then those assets fall into the will. However, the beneficiary of the will is your trust. This, in effect, "pours" the assets back into the trust to ensure that the beneficiaries you named in the trust receive those assets upon your death. However, it is very important that you transfer assets to the trust. Remember, a will by itself does not avoid probate.

III. Durable Powers of Attorney for Financial Matters (DPA):

A document that allows the person you name to sign your name, pay your bills, and handle your financial affairs if you become incapacitated. If you don't have this document in place and you become incapacitated, then a conservatorship proceeding will take place in court and can cost your estate \$5,000-\$7,000 annually.

IV. Advance Health Care Directives (AHCD):

A document that allows the person you name to make your health care decisions for you if you become incapacitated. If you don't have this document in place and you become incapacitated, then a conservatorship proceeding will take place in court and can cost your estate \$5,000-\$7,000 annually. Also, if you are relying on your family members to "make the right choice," and they disagree, then the court will likely name a third party (a stranger) to make decisions.

**Prices are subject to change with or without notice based on client needs, market, and laws.*

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Also Consider:

Certification of Trust:

This document helps transfer your assets into your trust (“funds” the trust). You would present a copy of this document to banks, brokerage accounts, real estate agents, or escrow officers so that they know how to properly title your assets.

Grant Deed or Quitclaim Deed:

We will prepare new deeds for your real estate that should be recorded with the county recorder. There will be a nominal recording fee (\$30.00-\$100.00 or more) depending on the length of the deed and county. *We will handle this for our comprehensive estate plan clients.

Preliminary Change of Ownership Report:

We prepare this “cover sheet” for the county recorder. This report lets the county tax assessor know NOT to reassess your house for estate tax purposes. If this sheet is not included with the deed you submit, then the recorder will charge you an extra \$20.00 or more.

Notary Services:

We have affiliations with some local notaries and can recommend one or more to you. Fancy Notary charges \$50 travel fee under 10 miles and \$15 per signature.

Fees and costs:

Fees and costs are the client's responsibility and subject to change. Every county and independent provider has its own fees and costs. All fees and costs will be disclosed and first approved by the client including those already discussed above.