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70% of all individuals have no formal estate plan.



An individual will be stuck with the *State of Washington Plan* if they have not implemented an estate plan of their own.

Estate Plan

Will

Revocable Living Trust

Living Will or Health Care Directive

Durable Power of Attorney - Financial

Power of Attorney – Health Care

Will vs. Trust

WILL – a formally executed written instrument by which a person makes known their intent to dispose of his or her estate *to take effect after death*.

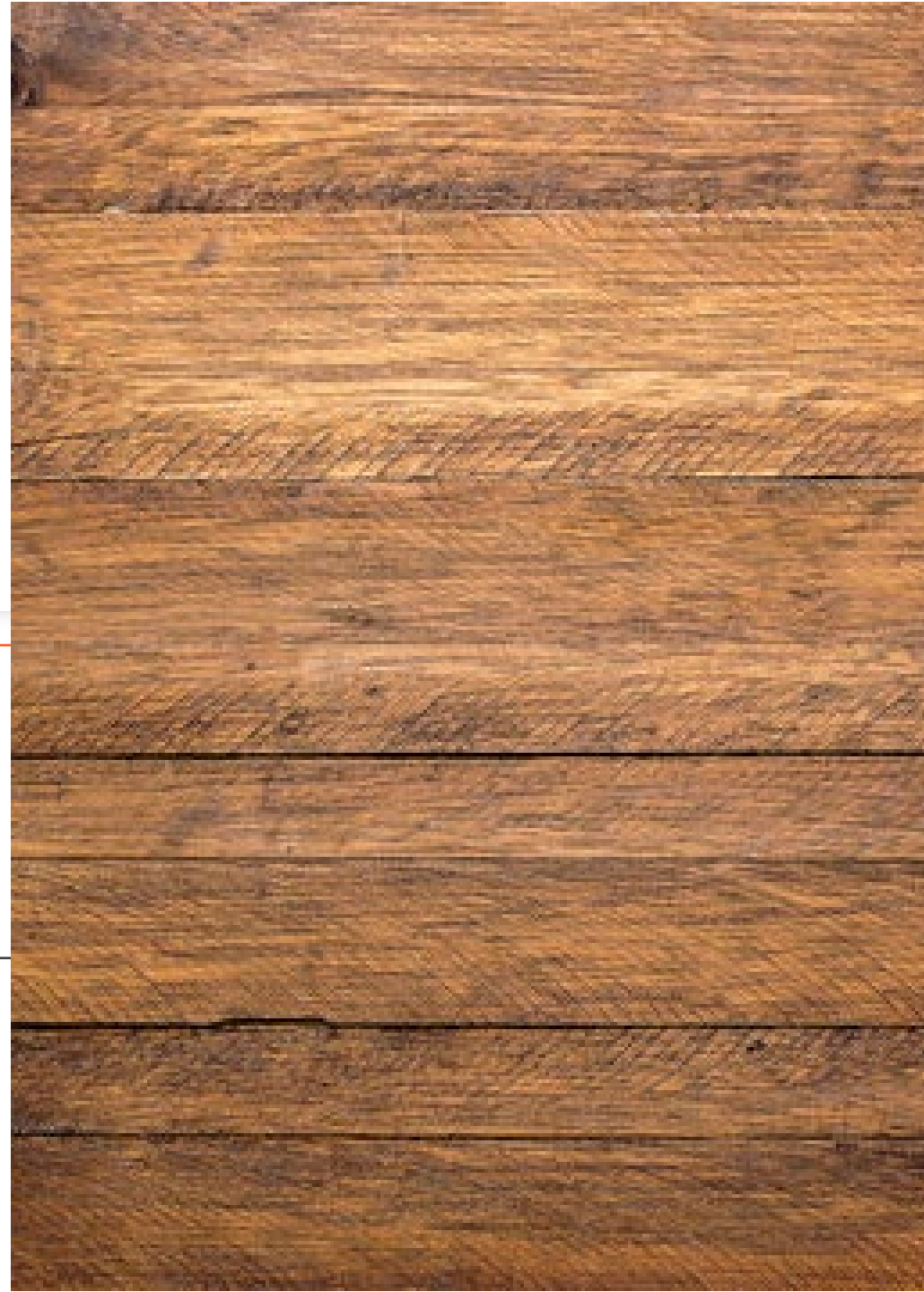
TRUST – A separate legal entity where title of property is transferred to a trustee and is held for the benefit of a named beneficiary. A trust is created during the lifetime of the settlor and can also be called a revocable living trust.

Funding a trust is the formal process of transferring assets to be held by a trustee in trust.

Other Important Documents

Living Will or Health Care Directive – a document in which the signer indicates preferences or directions for the withdrawal or withholding of life-sustaining medical treatment in the event of terminal illness or permanent unconsciousness.

Durable Power of Attorney – an instrument containing an authorization for one to act as the agent of another for either financial or health care (only valid during the lifetime of the principal).



Probate



PROBATE – Is the Legal process of transferring a decedents property after their death pursuant to either a properly executed Will or by state law.



All property being transferred under a Will or by state law must be probated (except for estates that do not include real estate and are less than \$125,000 in total value).



Property being transferred by trust is not probated unless the trust was not properly funded.



Probate is most difficult when an individual does not have will or other formal estate plan.

Probate Avoidance

Large Estates – Most individuals form a Trust.

Small Estates – Individuals may use a variety of techniques including but not limited to: Joint Tenancies; Life Estates; Gifting; Pay on Death; or Beneficiary Designations.

Life Insurance and 401k or IRA's may pass outside of probate even if a decedent has a properly drafted Will.

Other Considerations



Create a plan that merges non-probate asset distribution with your estate plan asset distribution (Will or Trust)



Charitable
Giving



Medicaid
Planning

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