



*Planning your path
for the future*

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Revocable Living Trust

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Definition: A legal entity to which you transfer part or all of your assets during your lifetime. You will retain the power to remove or sell the assets or to change the trust. Normally, you will be the Trustee yourself.

Advantages:

1. Avoids delay and cost of probate for assets transferred to trust (often approximately 2% of the gross value of your estate for the attorney and also for the executor, if a fee is taken by the executor). **Note:** Probate may not be necessary with joint tenancy property, life insurance, retirement plan benefits, Trustee bank accounts, annuities, and outright transfers to a spouse.
2. Private - On death, unlike a will, the trust is not filed with the local probate court or otherwise available to the public.
3. May avoid need for court supervised third party management of your property before death (i.e. conservatorship).
4. Avoids out-of-state probate.
5. Generally more difficult to contest than a will.
6. As with properly drafted wills, can be structured to minimize federal estate tax.
7. Not subject to property tax reassessment or income tax reporting as long as you (or your spouse) act as Trustee.

Disadvantages:

1. Greater initial legal expense than wills (see estimate of fees below).
2. Additional time and paperwork to transfer your assets to your trust when it is created and the need to maintain distinction between your trust and personal ownership.
3. Lack of court supervision of actions of Trustee.

Fees:

1. Single Person Trust - Approximately \$2,300.00 for standard single person trust, plus transfer costs (i.e. recording fees, transfer agent charges, etc. - these are usually minimal). Fee may be greater for complex estate plans.
2. Husband/Wife Simple Trust - Approximately \$2,500.00 for standard husband and wife simple trust, plus costs. (Used most often with total estate is less than \$6,000,000.00 and where children are relatives of both husband and wife.)
3. Husband/Wife AB or ABC (QTIP) Tax Saving Trusts – Approximately \$3,000.00 plus costs. (Used most often with total estate is greater than \$6,000,000.00, in second marriage situations, or where first spouse to die wishes to assure his or her share of the estate will eventually pass to specified heirs.) Average fee for ABC Trust - \$3,500.00.

Above estimates include basic (1) Trust Agreement, (2) Pourover Will(s) for property not transferred to trust during your lifetime, (3) Health Care Power(s) of Attorney with Advance Directive(s) and (4) Durable General Power(s) of Attorney for asset management (for both husband and wife if married), and (5) Deed to transfer title to your residence into your trust. Also included (and what we at the LAW OFFICES OF TRICIA A. SHINDLEDECKER consider to be an indispensable part of this process) is a review of your life insurance and retirement plan beneficiary designations, the manner in which you hold title to your property, an estate tax analysis, if applicable, a summary letter explaining your draft documents, and an indexed folder containing all of your signed estate plan documents and the procedure for transferring other assets to your trust in the future.

Additional Fees if Estate Plan Delayed or Not Signed: Please review your draft estate plan documents and contact us for an appointment as soon as possible after you receive them. We generally bill for our services when your estate plan is signed, however, if we have sent you drafts and your estate plan documents have not been completed within three months, we will send you our invoice for the services provided, and further services performed to review and finalize your documents will be billed at the attorney's then current hourly rate. If, immediately after your initial appointment, you realize that you do not wish to move forward with completing your estate planning documents, please contact our office within two days, so that we can stop work on your estate plan. In that event, we will bill you only for our conference, and we can pursue completion of your estate plan in the future, at a time when you are ready to commit the time necessary to its completion.

Note: Additional fees will be quoted and charged for complex estate plans, including Generation Skipping, creation of multiple or extended trusts, life insurance, foreign citizen, special needs or irrevocable Medi-Cal trusts.

Note: Additional fees and costs may be incurred for transfers to your trust of additional real property, promissory notes and deeds of trusts, mutual funds, and other unusual assets. We will provide you instructions and work with you to determine the least expensive manner of completing these and other transfers to your trust, whether by you, or us.

Fee Estimates: You will receive a fairly precise flat fee estimate after your initial meeting.

Other: Our firm has offices in Santa Rosa and Oakmont. We welcome the opportunity to satisfy your other legal needs in the future.