

Lynn's Top Five

What's an Estate Plan and Why You Need One!

By Lynn Ballou, CFP®

Over the years we've nagged, cajoled and tirelessly encouraged clients to worry about many things. But not many topics elicit as much dragging of the proverbial feet and uncertainty as Estate Planning. We've been asked everything from: *Do you think I really need an estate plan? If I just put my kid's names on all my accounts, isn't that enough? Since I'm married, doesn't everything just go to my spouse? To Oh, and by the way, what the heck IS an estate plan?* As a Certified Financial Planner it's my pleasure to be able to collaborate with some of the best estate planning attorneys in the business, two of whom have graciously participated in this column. So, even if you are ready for a more advanced estate planning discussion, I think this article will give you some great ideas for next steps in your own planning.

What is an estate plan? An estate plan is a series of written documents that outlines your intent for the care of you, your family, and your assets during your life and the distribution of your assets at your death. Think about what a broad topic that is and you start to understand the complexities that can arise. Everything from how to care for me and my assets if I'm alive but lack physical or mental capacity, to where my assets

go when I pass away, and how that distribution should happen. As I warn my children regularly, my estate plan gives me the power to still have some control over things even after I'm long gone!

Is a will alone sufficient? "After-death planning can be done with a living trust or a will," according to Annette Knox, estate planning attorney specialist in Walnut Creek. She adds "With a will, you risk having to pass assets through an expensive and public probate. However, sometimes clients may not want a trust, or may not own real property or have sufficient assets to warrant a trust. Sometimes they want the court oversight in passing their assets at death. In those unusual cases, a will alone may be a viable option."

How could I benefit by including a living trust in my estate plan? Nancy Gibbons, a Walnut Creek-based attorney who specializes in estate planning, shares: "Typically, a revocable trust is a 'will substitute' and it provides a continuing authority to manage trust assets after a person becomes incapacitated or dies since you name successor trustees. This allows the successor trustee to transfer and manage assets without having to go through a probate proceeding in court." Other types of trusts can also

be created within your estate plan. For example, we hear a lot about special needs trusts these days. In my next column, I'll go into detail about these unique trusts and the planning opportunities they offer.

What are the "must haves" for every estate plan? Annette reminded me that the most important part of estate planning starts with a conversation. "I think it is most important to start with a discussion with each other and your attorney about your goals and your family dynamics so that proper planning can be done to preserve the family relationships. So you first must have that conversation." From a practical standpoint, both attorneys advise that a well-crafted estate plan should include not only a will and living trust, but also a comprehensive review of beneficiary designations, advanced health care directives and durable powers of attorney. Nancy added that another "must have" really pertains to keeping your plan current. For example, she says, "Too often, we find people have an old, outdated trust or an 'unfunded' trust. Since we have a historic high \$5.34 million exemption, many clients have stale, older trusts that split the estate when the first spouse passes away. These 'bypass' trusts may no longer be appropriate and clients

should get a review to determine if they need to change the structure of their trusts."

What are "powers" in estate planning? We all hear about powers of this and that as they pertain to estate planning. Annette clarifies some of this terminology for us as follows: "Defined, a power is the right, ability, or authority to do something. In estate planning, we plan for our incapacity or death. To protect our estates, our families and our relationships, we must give powers to persons we trust to carry out our wishes or to provide for our needs in the event we cannot do so ourselves. A trust or will typically contains a list of powers for the trustee or executor for that purpose. The California Probate Code also defines the powers and duties of trustees and executors. California law is very concerned with protection of the rights of beneficiaries and creditors of an estate, so the powers and duties under California law reflect this concern."

Bottom line: Each of us has an estate plan even if we do nothing. But that estate plan will not be one of our choosing – it will be handled by the government. If you want a say in what happens if you become incapacitated and at your death, hire a great attorney who specializes in estate

planning so that you can create an estate plan of *your* design. And then, revisit your plan from time to time, but mostly just get on with your life and enjoy!



Lynn Ballou is a CERTIFIED FINANCIAL PLANNER™ professional and co-owner of Ballou Plum Wealth Advisors, LLC, a Registered Investment Advisory (RIA) firm in Lafayette. Lynn is also a Registered Principal and Branch Manager with LPL Financial (LPL). The opinions voiced in this material are for general information only and not intended to provide specific advice or recommendation for any individual. Financial Planning offered through Ballou Plum Wealth Advisors, A Registered Investment Advisor and a separate entity. Securities offered through LPL Financial, member FINRA/SIPC. You can reach Lynn at lynn@ballouplum.com.

Community Service

We are pleased to make space available whenever possible for some of Lamorinda's dedicated community service organizations to submit news and information about their activities. Submissions can be sent to storydesk@lamorindaweekly.com with the subject header In Service to the Community.

Cub Scout Pack 200 Complete Summer Overnight

Submitted by Charles Reagan



Photo provided

Cub Scout Pack 200 of Lafayette wrapped-up summertime scouting activities with a family overnight camping trip to the hills above Lake Chabot in Alameda County. Camping trip activities included flag ceremonies, hiking, outdoor games, outdoor barbecue, and a great scout-built campfire that included s'mores, songs, skits, and jokes. The accompanying

photo shows scouts taking a rest during the hike at a downed tree found at a trail switchback. Participating Pack 200 scouts included: Naoto Wantanabe, Ethan Lee, Amir Schmuecker, Dylan Potter, Chase Reagan, Sam Hafner, Cameron Bodel, Bradley Bodel, Tice Hardin, Matt Colvin, Cole Reagan, Cole Mason, and Andrew Bodel.

Seniors Donate School Supplies to Springhill

Submitted by Rochelle Holbrook



Photo provided

After a successful school supply drive, Atria Lafayette Senior Living residents recently delivered the items to Springhill Elementary School. From left: Springhill Elementary School

principal Patrick Gargiulo and Atria Lafayette Senior Living Ambassador residents Mary Alter and Mary McGuire.

Orinda Boy Scout Troop 57 Honors Four New Eagle Scouts

Submitted by Steve Tennant



From left: Dennis Finger, Cole Sitar, Ryan Sitar, and Christopher Tennant

Photo provided

Orinda's Boy Scout Troop 57 announced that three Miramonte High School seniors – Dennis Finger, Cole Sitar and Ryan Sitar – and USC School of Cinematic Arts freshman Christopher Tennant achieved Scouting's highest rank of Eagle Scout, which was celebrated at an Eagle Court of Honor Sept. 7 at Holy Shepherd Lutheran Church in Orinda.

To become an Eagle, the candidate must earn a minimum of 21 merit badges, including 13 Eagle-required badges, demonstrate leadership and scout spirit, and successfully complete an Eagle service project that benefits the community: Dennis Finger refurbished a section of trail in the Wagner Ranch Nature Area. He supervised a group of more than 25 scouts, adult leaders and family in clearing the trail, transporting gravel and materials, and finally placing a layer of gravel on the trail. Cole Sitar rebuilt a dilapidated bocce ball court at Orinda Oaks Park. Thanks to the hard work of many scouts

and scout leaders, the court took shape over three weekends last September, and is now fully functional for bocce tournaments by the residents of Orinda. Ryan Sitar designed and constructed a propagation greenhouse in the Del Rey Elementary School garden and repaired a garden shed. With help from Scouts, friends, and family over the course of four weeks, the greenhouse was built and the shed was refinished. And Christopher Tennant built a display system for students' plaques in the Miramonte Public Speaking classroom. He led a loyal team of Scouts and helpers over four days to paint a wall and trophy case, and install aluminum channels that now display 158 plaques the Public Speaking program has collected over the past 30 years.

To learn more about Troop 57, visit www.orindatroup57.com or contact the Troop Committee Chair, Steve Tennant, at (925) 788-1092.

150 Sun Dresses Donated to Girls in Haiti and African Countries

Submitted by Sue Renno



Photo provided

Members of the Lafayette United Methodist Church recently sewed over 150 sun dresses to be given to girls in Haiti and African countries. Member Jeanette Shearer

made over 75 of the items. Dresses will be blessed at a Sunday worship service at 10 a.m. Sept. 28, 955 Moraga Road, followed at 11:30 a.m. with a free community luncheon.