

Estate planning: How to model a Revocable Living Trust

If the purpose of your living trust is to remove assets from probate expenses, use one of the following methods to enter the trust:

Method 1: To exclude *all* assets from probate

1. Go to the **Insurance & Estate Planning** category – **Estate Planner** tab, and then click **Duplicate** to create a duplicate estate planning scenario. The *Estate Planning Scenario Setup* dialog box opens.
2. Give this scenario a name.
3. Select the **Will Exists** check box.
4. Select the **Living Trust** check box.

Estate Planning Scenario Setup

General

Name: Living Trust

Description:
This Estate Planning scenario examines excluding all assets from probate fees by setting up a Living Trust.

Estate Planning Tools

Will Exists **Other Marital Trusts** (QTIPs, Marital Trusts)

Gifting

Credit Shelter Trust **Irrevocable Trusts** (ILITs)

Living Trust

Testamentary Trusts (Generic Testamentary Trusts)

For more information about each of these estate planning tools, consult the online help.

Cancel OK

5. Click **OK**.

The red text on the *Insurance & Estate Planning – Estate Planner* flowchart now reads “No probate.” All assets are excluded from probate.

You can generate a *Comparison Report* by clicking the *Reports* button to explore the effect this scenario has on projected probate fees.

New Plan (2005) Settings

Life Insurance | Disability Insurance | Long Term Care | Estate Planning Setup | **Estate Planner**

Existing Estate Plan | **Living Trust** | Summary

Name: Living Trust Include

Grant's Gross Estate in 2010
Total Assets: \$675,897

No probate ↓

Janet's Assets after Grant's death
2010: \$668,940
2015: \$738,549

No probate ↓

Assets Passed to Heir
2015: \$731,165

IRD Summary (Grant)
IRD Summary (Janet)
Current Year Cash Flow
Gross Estate and Liabilities (Grant)
Gross Estate and Liabilities (Janet)
Gift Summary (Grant)
Gift Summary (Janet)
Gift Taxes (Grant)
Gift Taxes (Janet)
Flowchart
Trust Funding and Distribution Summary
Tax Details
Details Report
Scenario Synopsis
Liquidity Needs Report
Comparison Report

Insert... Remove Duplicate... **Reports** ▲

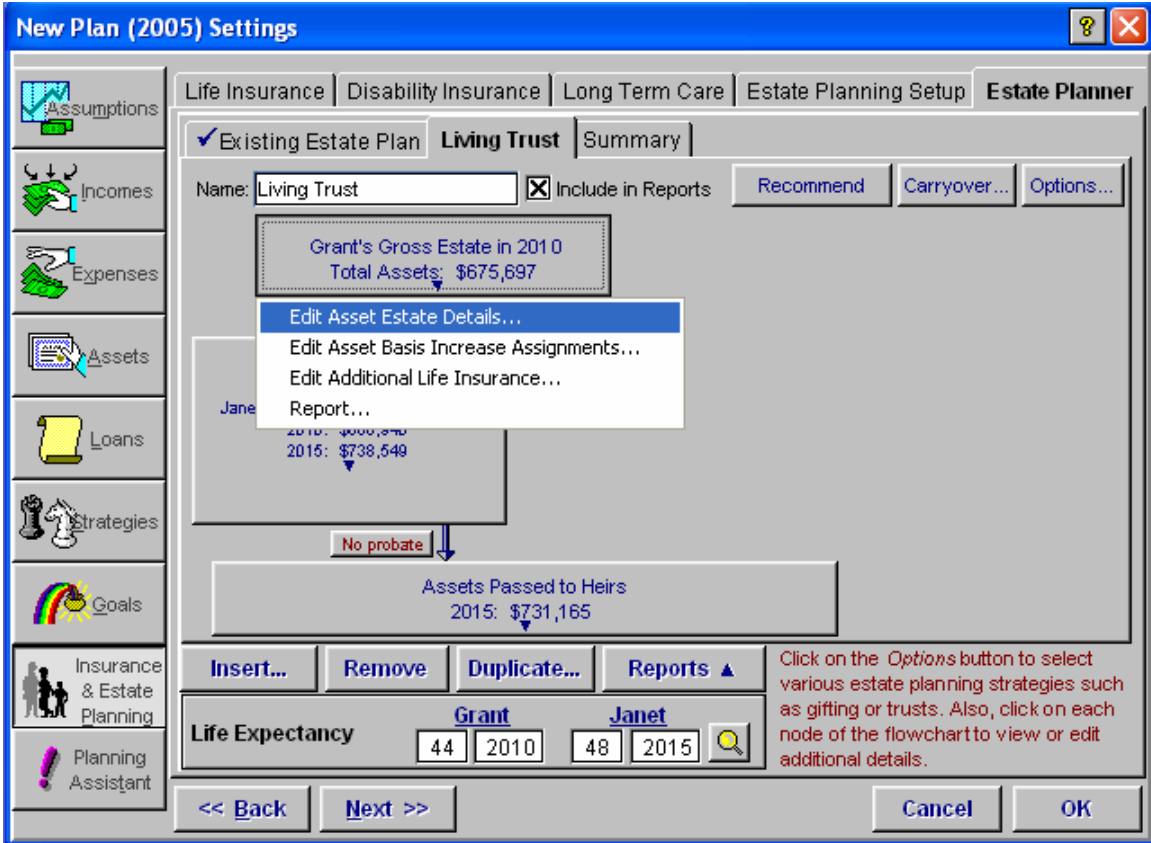
Life Expectancy Grant Janet
44 2010 48 2015

<< Back Next >> Cancel OK

Click on the *Options* button to select various estate planning strategies such as gifting or trusts. Also, click on each node of the flowchart to view or edit additional details.

Method 2: To exclude only *specific* assets from probate

1. Go to the **Insurance & Estate Planning** category – *Estate Planner* tab, and then click the first node and select **Edit Asset Estate Details** in the list that appears. The *Asset Estate Details* dialog box opens.



- Remove the **X** from the *Probate* column for the assets to which probate will not apply. Click **OK**.

Asset Estate Details [?] [X]

To retitle an asset, select a new owner. Ownership changes are reflected immediately across the plan for the Proposed scenario. For all other scenarios, ownership changes are reflected when the estate planning reports are generated, and apply only to the selected scenario.
 Selecting *Multigenerational* sets Income in Respect of a Decedent (IRD) taxes to zero.
 For more information on Probate and Admin fees, refer to the Help.

Non-Qualified | **Qualified & Annuities**

Asset Name	Market Value	New Owner	Probate	Admin Fees
Blue Chip Stocks (Grant/Non-Qualified)	\$100,000.00		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Blue Chip Stocks (Janet/Non-Qualified)	\$200,000.00		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cash Account (Grant/Non-Qualified)	\$300,000.00		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Residence (Grant/Lifestyle)	\$400,000.00		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Resource Funds (Joint/Non-Qualified)	\$500,000.00		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Cancel OK

Asset Estate Details [?] [X]

To retitle an asset, select a new owner. Ownership changes are reflected immediately across the plan for the Proposed scenario. For all other scenarios, ownership changes are reflected when the estate planning reports are generated, and apply only to the selected scenario.
 Selecting *Multigenerational* sets Income in Respect of a Decedent (IRD) taxes to zero.
 For more information on Probate and Admin fees, refer to the Help.

Non-Qualified | **Qualified & Annuities**

Asset Name	Market Value	Probate	Admin Fees	Primary Beneficiary	Contingent Beneficiary	Multi-generational
Balance Funds (Janet/IRA)	\$100,000.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Grant	Estate	<input type="checkbox"/>
Balanced Funds (Grant/IRA)	\$200,000.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Janet	Estate	<input type="checkbox"/>

Cancel OK

You can generate a *Comparison Report* by clicking the *Reports* button to explore the effect on projected probate fees.

New Plan (2005) Settings

Life Insurance | Disability Insurance | Long Term Care | Estate Planning Setup | **Estate Planner**

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Insert... Remove Duplicate... **Reports** ▲

Life Expectancy Grant Janet
44 2010 48 2015 🔍

<< Back Next >> Cancel OK

Options...

- IRD Summary (Grant)
- IRD Summary (Janet)
- Current Year Cash Flow
- Gross Estate and Liabilities (Grant)
- Gross Estate and Liabilities (Janet)
- Gift Summary (Grant)
- Gift Summary (Janet)
- Gift Taxes (Grant)
- Gift Taxes (Janet)
- Flowchart
- Trust Funding and Distribution Summary
- Tax Details
- Details Report
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- Liquidity Needs Report
- Comparison Report**

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