



WHITE OAK WILLS & TRUSTS, LLC MISSION STATEMENT

We believe you should have the opportunity to get to know us before you decide whether to work with us. We also believe you have a right to understand what your planning options are and how much they will cost in advance. We believe everyone deserves a good plan that addresses their unique situation.

Get your questions answered and a fee quote in our complimentary consultation.

Call us at 503-928-8664 or schedule at www.whiteoakwills.com/contact/

A COMPLETE ESTATE PLAN INCLUDES THE FOLLOWING:

1. Will, or Trust with a Pourover Will, directing what happens to the things you own after you die and possibly creating ongoing trusts for your beneficiaries.
2. A Durable Power of Attorney to allow your agent access to utilities, credit card statements and other liability accounts held in your name during any period of incapacity;
3. A HIPAA Release to allow your loved ones to get information about your physical and medical condition during any period of incapacity;
4. An Advance Health Care Directive naming a medical decision-maker for you and outlining your preferences regarding end-of-life care;
5. An Advance Directive Addendum/Health Care Power of Attorney expanding the authority of your medical decision-maker to include psychiatric care, hospice or long-term care and disposition of remains; and
6. Potential Additions - Guardianship for minor children, Organ Donor Forms, Memorial Instructions, Tax Shelter provisions, Charitable Giving.
7. Secure online storage of your documents.

In general, there are two ways to plan: Will-based or Trust-based.

WILL-BASED PLANNING & THE SIMPLE ESTATE

A Will-based plan requires fewer adjustments during your lifetime and doesn't take effect until your death. A Will-based plan may be sufficient for individuals or couples with gross assets of less than \$1 million dollars, including proceeds from life insurance policies, who don't own a home or have property worth less than \$200,000 in only one state, with simple family dynamics.

In Oregon, a "simple" estate is subject to the Small Estates Proceeding. To qualify, your home must have a fair market value (mortgage is NOT deducted) of less than \$200,000 and the balance of your estate subject to probate (without beneficiary designations or survivorship titling) must be less than \$75,000. If this describes you, a Will-based plan may suit your needs.

PROBATE

Probate is the court-supervised transfer of assets to your heirs. A probate is required EVEN IF THERE IS A WILL, or if there is no Will, and you own property in your individual name at the time of your death. Your home is the most common probate asset, but bank and investment accounts also often require a probate. Adding an adult child to your bank account or deed may make it easier for them to help you during any period of incapacity, but it also creates confusion over your intentions and may have negative tax implications.

Probate typically costs 3-5% of the total value of your estate. Life insurance is included for purposes of calculating estate taxes and the cost of probate administration (probate fees include 1% of non-probate assets). A \$1 million dollar estate could pay \$30,000 to \$50,000 in probate costs.

FEDERAL AND STATE ESTATE TAX

Oregon imposes an estate tax from 10% to 16% of every dollar over \$1 million. An individual with a \$2 million estate would pay \$101,250 in Oregon estate tax. If your estate is over \$11.7 million, there is an additional federal tax. Washington also has an estate tax. An individual can transfer just over \$2 million, but then pays as much as 20% in estate tax for amounts over \$2 million.

****Probate costs and estate tax can be ELIMINATED or drastically reduced with trusts.**

TRUST-BASED PLANNING IS RECOMMENDED WHEN (Check all that apply):

- **You own your home.** A trust will avoid the cost, delay and public notices of a probate (court-supervised transfer of assets).
- **You own rental properties or a vacation home, ESPECIALLY if there are properties in more than one state.** The combination of a trust, LLC and/or property insurance protects your personal assets and your family from the risk of a lawsuit over income-producing properties. Property in more than one state means a probate in EACH state unless the properties are held in a trust or business entity such as an LLC.
- **You own a business** or an interest in a business. Often a business is the largest asset in a person's estate. Recent statistics show that over 80% of businesses fail when the owner dies. Planning can ensure your business continues, your family gets the value of your business interest and your employees continue to have a job.
- **You have beneficiaries who are minor children.** A trust lets you dictate the terms of their inheritance and name guardians. You decide what the funds will be used for and who will manage them on behalf of your children. We can include specific information about your values: do you want funds to incentivize continuing education, owning a business, home ownership? Do you want to encourage church attendance, travel,

extended family connections, sports or creative endeavors? We can customize instructions to the people you name in your Trust-based plan.

- **You have an otherwise capable family member or friend who would benefit from the protection of inheriting in trust** (protection from divorce, lawsuits or creditors). A trust can specify that the inheritance is not a marital asset in case of divorce and can protect it from being included in a lawsuit. Professionals who require liability insurance (medical professionals, people in hazardous occupations) particularly appreciate the protection they get from inheriting in trust.
- **Someone in your plan has a disability** or is otherwise incapable of managing his or her own assets. Inheriting money outright can disqualify a person with a disability from receiving public benefits they genuinely need. There are strict rules on the terms of a trust for a person with disabilities.
- **You have a blended family and minor children.** Biological parents have precedence as guardian (raising the child) and conservator (managing money for the child). Do you want your ex-spouse managing the money you leave to your son or daughter? If you want stepchildren to inherit you must explicitly provide for them.
- **You have a blended family and adult children.** A trust can provide that your share of your blended estate is used for your spouse during his or her lifetime, but then goes directly to your children from a prior marriage. You can plan to divide your estate equally between all the children (joint and non-joint) or you can carve out shares and provide a separate plan for each of you depending on how many kids you each have and how well your family has integrated.
- **You expect your spouse to remarry and you want to protect your children's inheritance.** A trust can specify that your spouse will only receive income, or some portion of the estate unless he or she executes a valid prenuptial agreement with the next spouse. If it's held in a properly drafted trust, your portion of your joint assets will not be considered a marital asset during the next marriage.
- **You have a gross estate of more than \$1 million.** Although the federal exemption is over \$5 million, Oregon imposes estate tax on every dollar over \$1 million in your estate. **Life insurance is included in figuring the total.** You can avoid or mitigate this tax through the use of a life insurance trust (ILIT) or credit shelter/marital bypass trust.
- **You're in a relationship but intend to own and manage assets separately.** A trust can outline the terms of your relationship - which items you share and which you intend to hold separately.
- **You want the details of your estate plan to remain private** after your death. Probate requires filing the contents of your Will and all the assets managed by your Personal

Representative/Executor in court, and this information becomes public knowledge. Reporters, nosy neighbors and long-lost “heirs” can peruse and order a copy of your probate documents at any time. Worse, probate requires that notice to creditors gets published in the local newspaper and that heirs (even ones you may have specifically disinherited) get direct notification of the probate *and an opportunity to object*. A trust keeps all your planning private.

- **You’re concerned about incapacity** and having someone else manage your assets while you’re unable. A trust names the person you want to manage your assets during incapacity, avoiding the need for a court-supervised conservator. You can even specify how a decision about your incapacity is made, either by a single person or panel of people you trust to have the “take the keys” or “take the checkbook” conversation with you. Granting the authority to render a private decision that you’re no longer able to manage things yourself maintains your autonomy and dignity, and that’s PRICELESS.
- **You have a history of charitable giving or want to include charities in your plan.** We can interpret the confusing array of charitable vehicles and help you decide (in concert with your CPA or financial advisor) which best suits your needs: a donor-advised fund, foundation, charitable remainder trust, charitable lead trust or other charitable bequest.
- **You have a valuable or high risk niche hobby or interest.** Certain assets are subject to special rules regarding their ownership or transfer. For example, the IRS has special rules governing art valued at or near \$50,000 and the handling and transfer of some firearms is federally regulated. A violation of the federal firearms rules could expose you or your heirs to a \$250,000 fine and time in prison. We’re prepared to guide you through these options to plan for your unique interests.

FEE SCHEDULE

We find that clients appreciate the freedom a flat fee structure gives us to communicate as much as needed to get the work done properly without worrying about traditional hourly billing. It also allows us to customize without incurring additional costs.

For an individual,	a Will-based plan is typically	\$1,300-\$3,000
	a Trust-based plan is between	\$2,500-\$5,000.
For a married couple,	a Will-based plan is typically	\$2,500-\$4,000
	and a Trust-based plan is	\$4,500-\$7,000+.

Some things that may influence the cost of your plan are:

- Special Needs Trust planning for incapacitated heirs or heirs on public assistance.
- Business Transfer planning including drafting or reviewing a Buy-Sell or other corporate transfer documents and/or establishing or updating an LLC or corporation.
- Gun Trust for firearms regulated by the federal government, including suppressors.
- Tax shelter trusts: Life Insurance (ILIT), Credit Shelter, or Retirement Asset Trusts.

- Medicaid or other incapacity planning to facilitate government assistance for you or your loved ones. May include an Income Cap Trust or Supplemental Needs Trust.
- Trusts for Minors.
- Ongoing trusts for adult beneficiaries: divorce or creditor protection or custom provisions for distribution (blended family, remarriage, income-only).
- Asset Protection. Specialized planning for professionals in higher risk occupations who may require sheltering assets from malpractice or creditors claims.
- Charitable Planning. Establishing a Foundation, Donor Advised Fund, Charitable Remainder Trust or other entity to achieve philanthropic and financial goals.

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