

## **2017 SUPPLEMENT TO PROBATE IN CALIFORNIA**

This is a supplement with the 2017 changes to the book Probate in California.

### **New transfer on death deed**

Page 21 deals with transfer of assets directly to parties outside of a will. California has added a new procedure, effective in 2016.

The new law creates a revocable transfer on death (TOD) and allows a homeowner to transfer to a named beneficiary real property upon the owner's death, without having to go through probate.

The law applies only to a residential property of:

1. One to four units,
2. A condominium, or
3. A single agricultural parcel of not more than 40 acres improved with a single family residence.

This revocable TOD deed must be signed, dated, and acknowledged before a notary public and must be recorded within 60 days after signing. The deed does not affect current ownership rights. It also is an alternative to putting someone on the property as a joint tenant, which then gives that joint tenant certain rights regarding the property and the joint tenant cannot be removed from title to the property without his or her signature on a deed.

This deed can be revoked without the signature of the named beneficiary at any time.

### **2017 increase in estate tax exemption**

The estate tax exemption through the book lists the exemption for 2015 (\$5,430,000). This exemption is indexed for inflation and automatically increases every year. The exemption for someone dying in 2017 is \$5,490,000.

### **2017 increase in generation-skipping transfer tax exemption**

Page 80 explains the potential generation-skipping transfer tax and the exemption, which was \$5,430,000 in 2015. This exemption is the same as the estate tax exemption and is also indexed for inflation and increases every year. For persons dying in 2017, the exemption is \$5,490,000.

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