

TABLE OF CONTENTS

CONTENTS	i
TABLE OF CONTENTS	ii
PREFACE	x
CHAPTER 1 ESTATE PLANNING	1
WHAT IS ESTATE PLANNING	1
REVIEWING YOUR ASSETS	2
Systematic, Organized Review	2
Value of Assets	2
Title to Assets and Beneficiary Designations	3
Other Considerations	4
EVALUATING YOUR ESTATE PLAN	4
Who Gets Assets at Death?	4
Estimated Death Taxes and Probate Costs	4
Disability	5
CREATING A NEW ESTATE PLAN	5
Will	5
Living Trust Agreement	6
Powers of Attorney	6
Gifts	7
Change in Title to Assets and Beneficiary Designations	7
CARRYING OUT THE NEW ESTATE PLAN	8
PERIODIC REVIEW	9
CHAPTER 2 TITLE TO ASSETS	10
WAYS OF TAKING TITLE TO ASSETS	10
Joint Tenancy	10
Gift	10
Joint Tenancy Fully Taxed at Death	11
Termination of Joint Tenancy at Death	11
Community Property	11
Community Property with Right of Survivorship	12

Tenants in Common	12
Individual Name	12
Tenants by the Entireties	13
Trustee Registration	13
Payable on Death Registration	14
Transfer on Death Registration	14
DETERMINING HOW TITLE IS HELD	14
Real Property	14
Deed of Trust	15
Note	15
Registered Stocks and Bonds	15
Stock Brokerage Account	15
Mutual Fund	15
Stock Reinvestment Plan Shares	15
United States Treasury Obligations	15
United States Savings Bonds	16
Vehicles	16
Limited Partnerships	16
Mobile Home	16
Other Assets	16
Untitled Assets	16
INCOME TAX COST BASIS AT DEATH	17
Husband and Wife as Joint Tenants	18
Husband and Wife as Community Property	18
SAFE DEPOSIT BOXES	18
ESTATE TAXATION AT DEATH	19
REASSESSMENT OF REAL PROPERTY AT DEATH	19
CHAPTER 3 PROPERTY OWNERSHIP BY HUSBAND AND WIFE	21
COMMUNITY PROPERTY	21
QUASI-COMMUNITY PROPERTY	22
SEPARATE PROPERTY	22
WRITTEN AGREEMENT	23
PREMARITAL AGREEMENT	23
COMMUNITY PROPERTY AGREEMENT	24

ESTATE PLANNING TO DETERMINE PROPERTY OWNERSHIP	24
CHAPTER 4 INCAPACITY	26
JOINT TENANCY	26
CONSERVATORSHIP	27
DURABLE POWER OF ATTORNEY	28
LIVING TRUST	30
ADVANCED HEALTH CARE DIRECTIVE	30
LIVING WILL	31
REQUEST TO FORGO RESUSCITATIVE MEASURES	31
DONATION OF BODY ORGANS	32
GIFT OF BODY TO MEDICAL SCIENCE	32
MEDI-CAL/MEDICAID	32
CONCLUSION	34
CHAPTER 5 WILLS AND INTESTATE SUCCESSION	35
WHAT A WILL IS	35
WHO MAY INHERIT	36
ASSETS CONTROLLED BY A WILL	36
ASSETS NOT CONTROLLED BY A WILL	36
INTESTATE SUCCESSION	37
Intestate Succession-Single Person	37
Definition of "Child"	38
Intestate Succession-Married Person	39
Domestic Partners	39
COMPETENCY TO MAKE A WILL	40
JOINT AND MUTUAL WILLS	40
BEQUESTS IN A WILL	41
SUBJECTS AND PEOPLE COVERED BY A WILL	42
SURVIVAL PERIOD	42
EXONERATION-ADEMPTION-ADVANCEMENT	42
EXECUTOR-TRUSTEE-GUARDIAN	43
SIGNING THE WILL	44
LOCATION OF ORIGINAL WILL	45

CODICIL TO A WILL	45
INTERNATIONAL WILL	45
CAUSING SOMEONE'S DEATH	46
SUMMARY OF RULES OF INTESTATE SUCCESSION	46
Married Person	46
Single Person	46
CHAPTER 6 PROBATE	48
PURPOSE OF PROBATE	48
ASSETS SUBJECT TO PROBATE PROCESS	48
ASSETS NOT SUBJECT TO PROBATE	49
STEPS INVOLVED IN THE PROBATE PROCESS	49
Appointment by the Court	50
Collecting Assets	51
Payment of Bills and Debts	51
Sale of Estate Assets	52
Payment of Taxes	53
Federal Estate Tax	53
Prior to Death Income Tax Returns	53
Fiduciary Income Tax Returns	54
Other Taxes	54
Liability for Taxes	54
Concluding the Estate	55
Executor's and Attorney's Fees	55
CHAPTER 7 FEDERAL ESTATE AND GENERATION- SKIPPING TRANSFER TAXES	57
FEDERAL ESTATE TAX	57
NATURE OF ESTATE TAX	57
REQUIREMENTS FOR FILING A RETURN	58
VALUATION OF ASSETS	58
DEDUCTIONS	59
MARITAL DEDUCTION	60
PORTABILITY OF UNUSED ESTATE TAX EXEMPTION AT FIRST SPOUSE'S DEATH	61

TAX RATES	61
UNIFIED TAX CREDIT	61
FEDERAL ESTATE TAXES SUMMARY	62
SPECIAL VALUATION OF ASSETS	62
DEFERRAL OF PAYMENT OF TAX	62
AUDIT OF ESTATE TAX RETURN	62
STATE DEATH TAX CREDIT	63
FOREIGN DEATH TAXES	63
COST BASIS OF ASSETS AT DEATH	63
GENERATION-SKIPPING TRANSFER TAX	64
CHAPTER 8 GIFTS	66
VALUATION OF ASSETS	66
ANNUAL EXEMPTION	66
EDUCATIONAL AND MEDICAL PAYMENTS	67
MARITAL DEDUCTION	67
GIFT TAX RETURN	68
GIFT TAX RATES AND LIFETIME EXEMPTION	68
GIFT SPLITTING BETWEEN SPOUSES	69
GIFTS MADE WITHIN THREE YEARS OF DEATH	69
INCOME TAX BASIS OF APPRECIATED ASSETS	69
CALIFORNIA UNIFORM TRANSFERS TO MINORS ACT	70
INTEREST FREE LOANS	71
QUALIFIED DISCLAIMERS	71
IRREVOCABLE TRUSTS AND CRUMMEY PROVISIONS	72
ADVANTAGES OF MAKING GIFTS	73
SUMMARY	73
CHAPTER 9 CHARITABLE GIVING	75
CHARITABLE GIFTS	75
VALUATION	75
INCOME TAX DEDUCTION	76
GIFT TAX	77
ESTATE TAX	77

QUALIFIED CHARITIES	77
TYPES OF CHARITABLE GIFTS	77
Outright Gift	77
Charitable Remainder Trusts	78
Charitable Remainder Annuity Trust	79
Charitable Remainder Unitrust	80
Charitable Lead Trust	80
Pooled Income Fund	81
Personal Residence Trust	81
Bargain Sale	81
Scenic Easement	82
Gift Annuity	82
SUMMARY	83
CHAPTER 10 TRUSTS	84
DEFINITION OF A TRUST	84
ADVANTAGES OF A TRUST	84
TYPES OF TRUSTS	86
Living Trust	86
Pour-Over Will	87
Testamentary Trust	88
Revocable Trusts	88
Irrevocable Trusts	88
PARTIES TO A TRUST	89
TERMS OF TRUST	90
TRUST INVESTMENTS	91
TAXATION OF TRUSTS	91
GENERATION-SKIPPING TRUST	92
QUALIFIED TERMINABLE INTEREST TRUST	92
QUALIFIED DOMESTIC TRUST	92
CALIFORNIA TRUST LAW	94
DYNASTY TRUSTS	95
SUMMARY	96

CHAPTER 11 BUSINESS ASSETS	97
TYPE OF BUSINESS	97
VALUATION	98
MINORITY INTEREST	100
BUSINESS INTEREST AT DEATH	100
ESTATE PLANNING	101
COMMUNITY PROPERTY	103
FAMILY LIMITED PARTNERSHIP	104
CHAPTER 12-LIFE INSURANCE, ANNUITIES, AND EMPLOYEE BENEFITS	105
COMMUNITY PROPERTY INTERESTS IN BENEFITS	105
BENEFICIARY DESIGNATION	106
LIFE INSURANCE	107
Parties to a Life Insurance Contract	107
Taxability of Life Insurance	107
Estate Planning with Life Insurance	108
Joint and Survivor Life Insurance	109
ANNUITIES	110
Parties to an Annuity Contract	110
Taxation of Annuity	111
Income Tax	111
Estate Tax	111
Gift Tax	112
EMPLOYEE BENEFITS	112
Parties to Plan Benefits	112
Income Tax	113
Estate Tax	113
Gift Tax	114
ESTATE PLANNING	114
CHAPTER 13 MISCELLANEOUS ASSETS	116
ASSETS IN ANOTHER STATE OR COUNTRY	116
MINERAL INTERESTS	117
INSTALLMENT OBLIGATIONS	117

UNITED STATES SAVINGS BONDS	118
COLLECTIBLES	120
FURNITURE, FURNISHINGS, AND VEHICLES	121
ANIMALS	122
OTHER TYPES OF ASSETS	123
VALUATION AND PLANNING	123
CHAPTER 14 SUMMARY OF ESTATE PLANNING	124
REASONS FOR ESTATE PLANNING	124
STEPS IN ESTATE PLANNING	125
DOCUMENTS DRAFTED	126
POSSIBLE SOLUTIONS TO ESTATE PLANNING PROBLEMS	128
BASIC INFORMATION	129
PROFESSIONAL ASSISTANCE	130
CONCLUSION	131