



Estate Planning Basics for Everyone

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Professional Experience

- Erie Johnson joined Wells Fargo Private Bank in 2013 and is currently a Fiduciary Advisory Specialist.
- Erie works with clients to integrate fiduciary and investment knowledge into each client's custom wealth plan. He coordinates with investment strategists to align investments with the client's goals and values. Based on the particular situation, Mr. Johnson can coordinate a variety of Specialized Wealth Services in order to help grow and protect assets, while working toward the client's overall wealth management goals.
- Prior to joining Wells Fargo, Mr. Johnson worked at Katz, Huntoon & Fieweger, P.C. in Moline, IL for almost eight years.
- Mr. Johnson has been in the financial services industry for more than 4 years.

Education

- Bachelor of Science in Accounting from Fayetteville State University, May 1998.
- Juris Doctor from Northern Illinois University College of Law, May 2002 (not currently practicing).

Professional Affiliations

- Erie is a member of the Quad Cities Estate Planning Council, Iowa Bar Association (Elder Law and Probate, Trust, and Estate Planning Sections), and the Illinois Bar Association (Elder Law and Trust and Estates Sections).

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A man and a woman are sitting at a desk in a bright room. The man, on the left, has his hand to his forehead, looking distressed. The woman, on the right, is looking at a laptop screen with a worried expression. There are several papers scattered on the desk in front of them. A red banner at the top of the image contains the title.

Scenario One: A mistaken beneficiary

- Marriage ended in divorce
- Remarried with two children from second marriage
- Updated estate documents
- Mistakenly left ex-husband as beneficiary of \$800,000 401(k) and \$200,000 life insurance policy



Scenario Two: Everyday life gets in the way

- Single parent with a 3-year-old in daycare
- Mom has a career, at-home work and parenting responsibilities
- She asks herself: who will care for my child if I cannot?
- Need to develop a plan for her lifetime





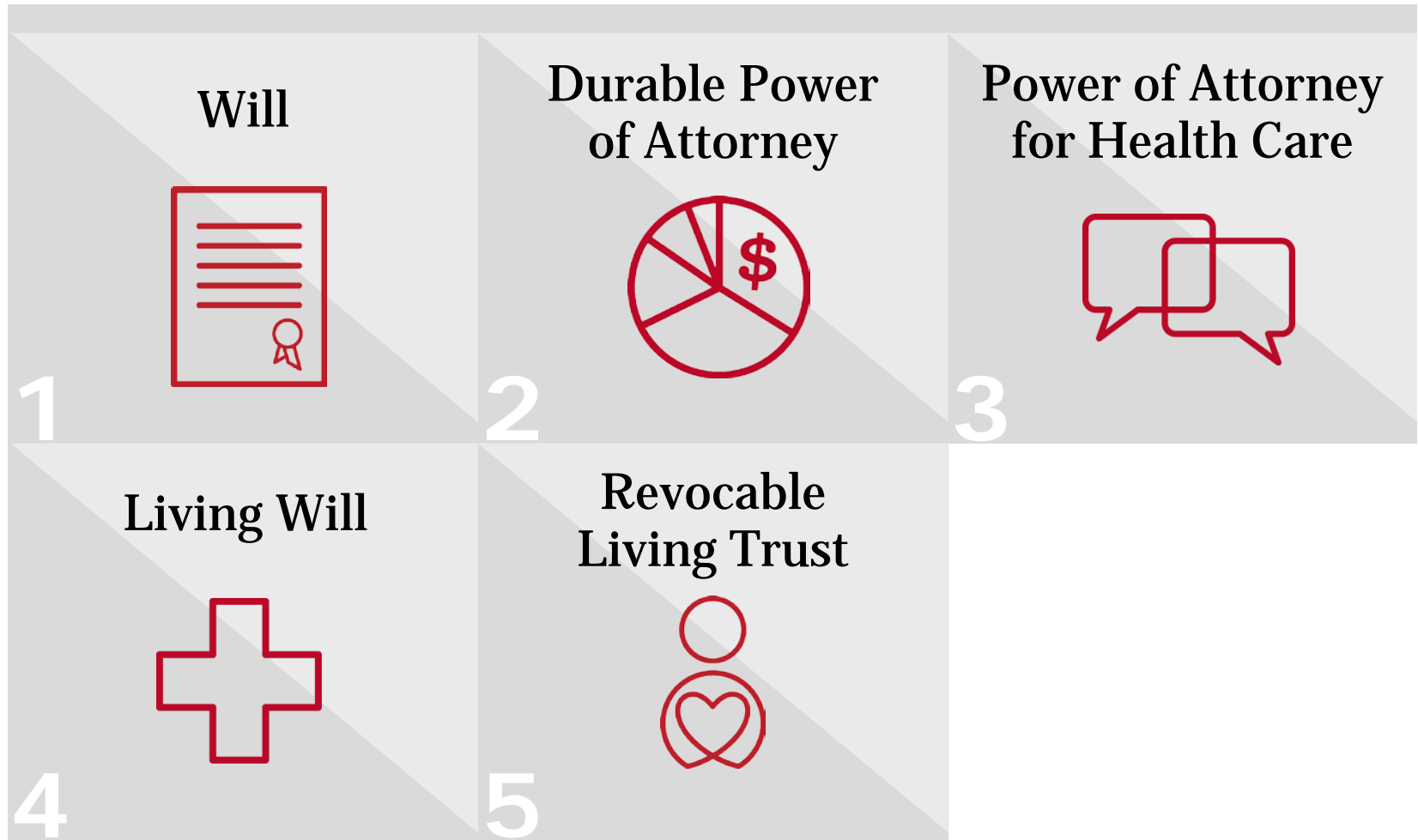
What we will cover



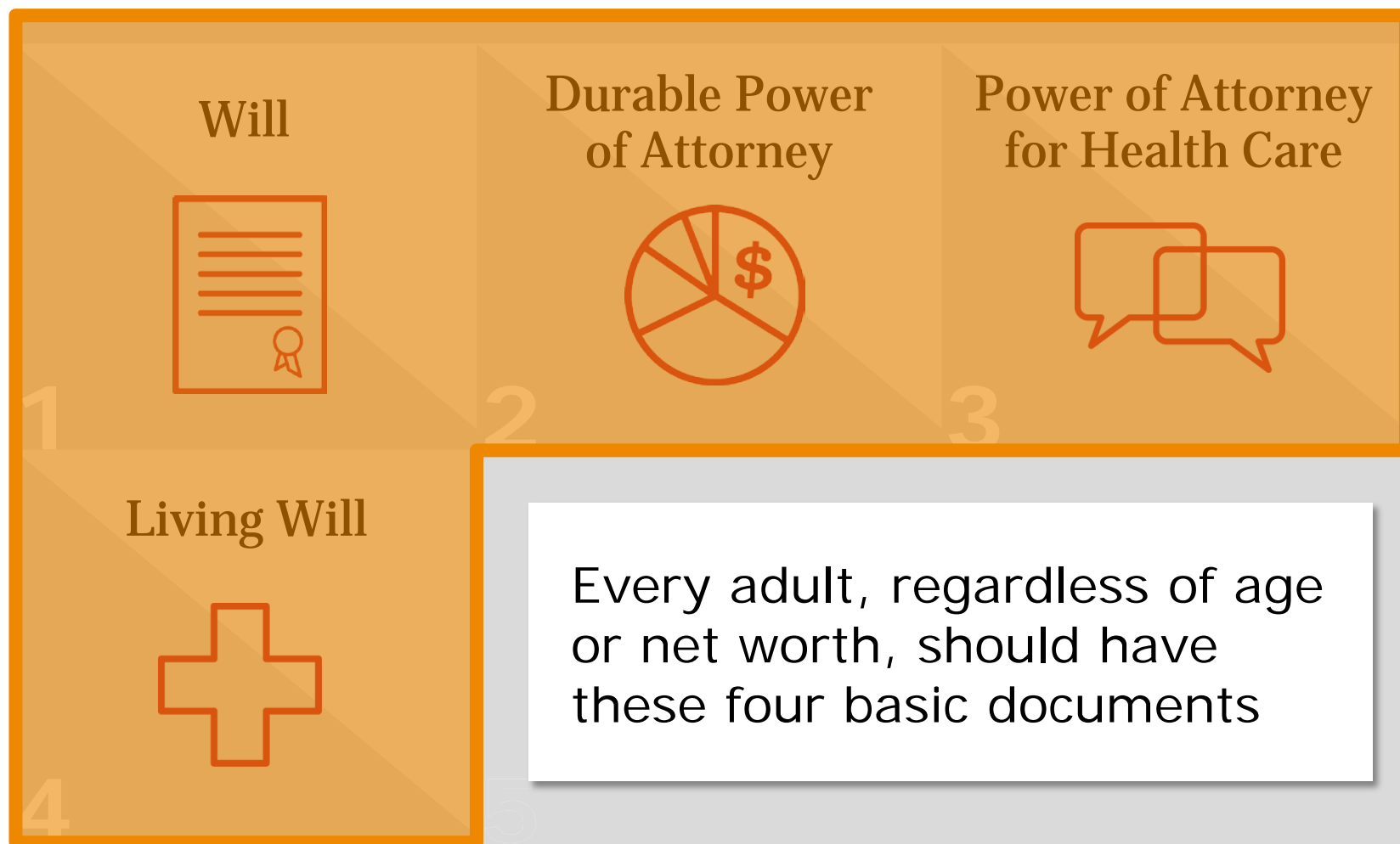


5 Basic Estate Planning Documents

5 basic estate planning documents



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5 basic estate planning documents

Will

Provides directions about who receives property after death.

Appoints an executor to pay final expenses, pay taxes, and distribute property.

A will is the only way to appoint a guardian for minor children.

If you have minor children, your will should include an ongoing trust for children.





5 basic estate planning documents

Durable Power of Attorney

Gives someone the power to make financial and legal decisions for you.

Could be immediately effective or only effective in the event of your incapacity.

You should only give this power to someone if you have complete trust in their integrity.

Be sure to name both primary and contingent agents.





5 basic estate planning documents

Power of Attorney for Health Care

Gives someone the power to make medical and health care decisions for you, in case you are not able.

Be sure to name both primary and contingent agents.

Talk to your agent, and others, about what you would want!





5 basic estate planning documents

Living Will

Expresses your wishes about care in the event of a terminal illness.

But does not give someone the power to make end-of-life decisions for you (the health care directive does that).

Often combined in the same document with a power of attorney for health care.





5 basic estate planning documents

A Revocable Living Trust

During your lifetime, you are both trustee and beneficiary, and trust is revocable.

Trust becomes irrevocable at your death.

Successor trustee is named.

Avoids probate.

Property must be titled in trust name.

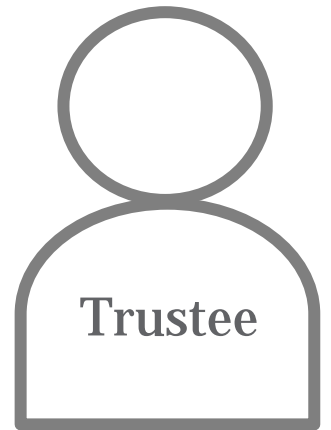
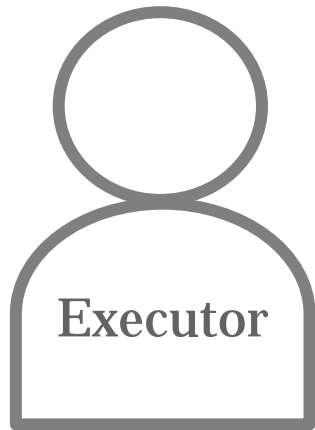




Key People: Estate Planning “Roles”

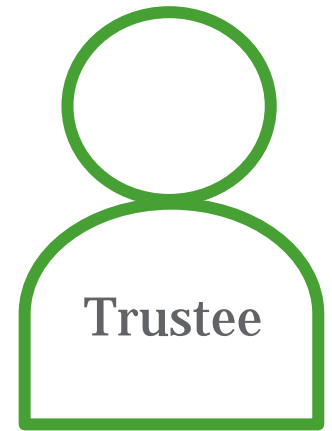


Key people in your estate plan





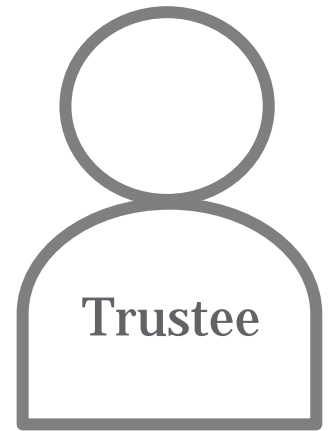
Key people in your estate plan



**Always name more than one
alternate for each role**



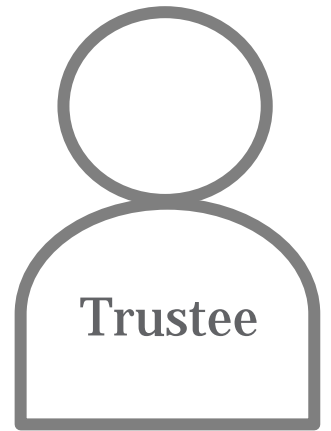
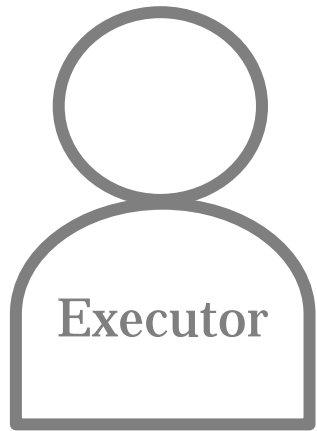
Key people in your estate plan



- Carries out directions in your will; appointment must be confirmed by probate court.
- Only controls property subject to probate.
- Also called personal representative in some states.
- An administrator is someone who manages the probate estate when there is no will.



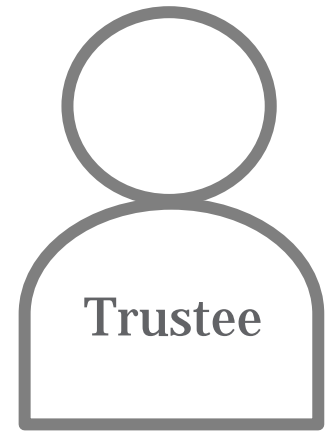
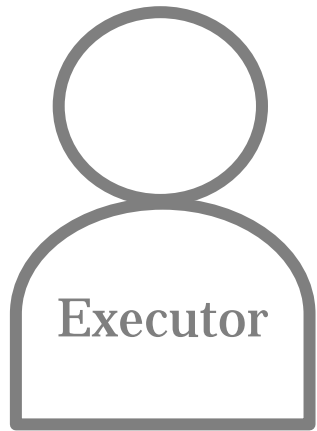
Key people in your estate plan



- Has personal custody of a minor child (under 18).
- This appointment only becomes effective if both parents die.
- Having a will is the only way to name a guardian for children!



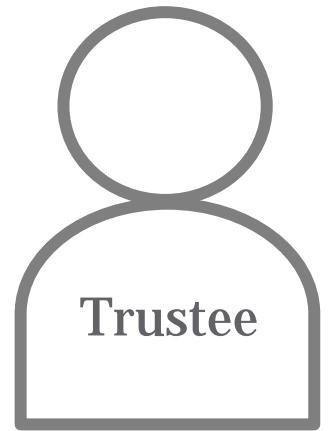
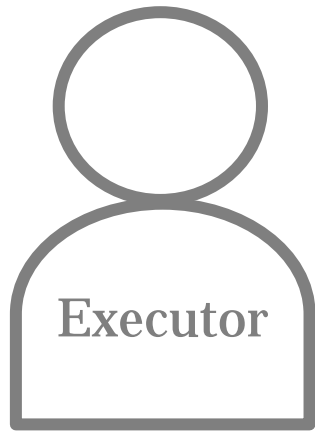
Key people in your estate plan



- Has authority to make financial and legal decisions for you during your lifetime.
- A fiduciary: must act solely for your benefit, and in your best interest.
- Also called attorney-in-fact.
- Without a power of attorney, someone would need to ask the probate court to appoint a guardian or conservator for you.



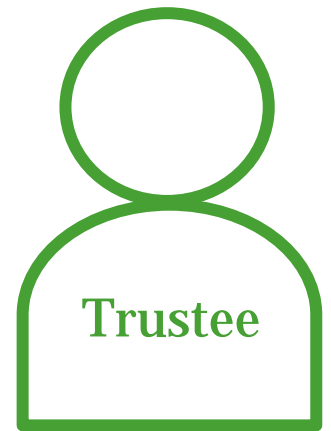
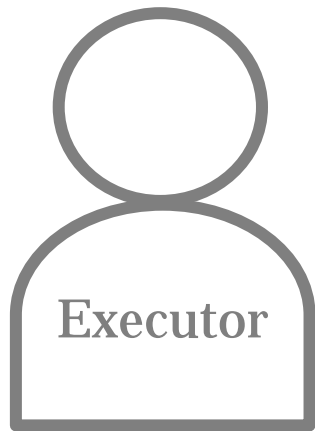
Key people in your estate plan



- Has the authority to make medical decisions for you during your lifetime, if you cannot express your own wishes.
- This covers the entire spectrum of medical care, from routine matters to end-of-life decisions.



Key people in your estate plan



- When you have a revocable living trust, a successor trustee takes over if you are incapacitated, or upon your death.
- A trustee can only manage property owned by the trust.
- After your death, the successor trustee carries out your directions.
 - *Some trusts exist for a short time – just long enough to distribute all property.*
 - *Some trusts continue for a long time.*



Importance of Asset Titling and Beneficiary Designations



Assets may take different “routes”

Individual
Name
Via
Probate

Revocable Living Trust	Beneficiary Designation	Joint Tenancy to Survivor
<i>These routes bypass probate.</i>		



How asset titling matters

Individual Name Via Probate	Revocable Living Trust	Beneficiary Designation	Joint Tenancy to Survivor
Executor controls	Trustee controls	Beneficiary Files claim	Survivor owns
Will governs	Trust governs	Contract governs	Property Law governs
Distributed after probate	Distributed per trust	Goes direct to beneficiary	Goes direct to survivor



Assets that have a beneficiary designation

- *Retirement plans*
- *Traditional IRAs*
- *Roth IRAs*
- *Annuities*
- *Life insurance*
- *Transfer-on-death accounts*
- *Pay-on-death accounts*
- *Non-qualified deferred compensation plans*
- *Stock options*
- *Restricted stock*
- *Employee stock purchase plans (ESPP)*
- *Stock appreciation rights, performance shares*
- *Employee stock ownership plans (ESOP)*



Summary

Every adult should have a will, power of attorney, health care power of attorney, and living will

Choose the right people to carry out your estate plan

It is extremely important to coordinate your

- *Documents,*
- *Asset titling, and*
- *Beneficiary designations*

Regularly review your estate documents, titling and beneficiary designations to update for life events and changes in your family

Next steps

STEP 1

Schedule your confidential appointment with me.

- *Discuss your situation*
- *Create a net worth statement to simplify your attorney appointment*

STEP 2

Schedule an appointment with your attorney to create or review your important documents.

Work closely with your legal and tax advisors

This presentation is intended to be informative and educational in nature. Wells Fargo Advisors does not provide legal, accounting or tax advice. Any estate plan should be reviewed by an attorney who specializes in estate planning and is licensed to practice law in your state.

This presentation is based on internal and external sources that are considered reliable; however, the accuracy and completeness of the information is not guaranteed.

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