



## BUYNAK LAW FIRM

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## Estate Planning

The first rule of estate planning is **Don't Procrastinate!** Do your estate planning now, the best you can, you probably will change your plan from time to time as life changes constantly. You are no different than everyone else in that it is the last thing on their mind and/or that they want to do. Your loved ones will benefit from your planning.

The reasons for **estate planning** are

To allow yourself to be assured that the estate (assets and property) that you have accrued over a lifetime is distributed as you desire; to let people know that you cared for them; and,

To not make an “estate mess” for others to sort out after your passing; to avoid having your family or others be involved in a costly public probate in court for 1 – 2 years, as there are statutes that decide the distribution of your estate which might be the opposite of what you desire.

Providing for your family, loved ones, friends, and charities through estate planning provides solace for you, and everyone close to you. You can then easily rest in peace now and later.

**Estate planning** involves the signing of a set of documents. Generally,

- Trust
- Will
- Advanced Health Care Directive
- Durable Power of Attorney
- Personal Property Allocation
- Final Disposition Instructions

This is simplified by worksheets that Buynak Law provides – one for your choices on property distribution and another listing your assets and liabilities. We are happy to spend as much time as you desire in going over your wishes and hear your history. It is helpful knowing what's important in drafting your documents. But if you are in a hurry, I suggest that one take an hour or less on filling out these forms. We can then ask a few questions and provide draft documents. Actually, if that is difficult, we sometimes just go through the worksheets together on the phone and gain your information.

**Trusts** are the preferred estate planning approach as it avoids a costly, public probate in a court. A trust administration occurs after your passing and is a private process ending with the distribution of your estate as you desire by a trustee. Wills are used principally to “pour over” into the trust any assets that you forgot to title with the name of the trust – your cars, for example. All institutions honor trusts and by statute, they must follow the directives of the trustee. The federal estate tax exemption (the amount of your estate not taxed) is currently \$11,580,000. (rising annually by the cost of living) and for a couple, that means \$23,160,000. of tax-exempt assets passing) as whatever portion of the exemption is not used by the spouse to pass first, can be used by the surviving spouse. Thus, trusts are simple straightforward documents, almost like a Will, with some provisions to allow you to take care of certain legal opportunities should they arise within your estate (like making sure that you remain in your home as long as possible).

**Bottomline.** The cost of a usual set of estate planning documents should be \$3000 - \$5000, depending on the number of titled assets that need transferring into the trust, i.e. your real property. doing your estate planning is a gift by you to your beneficiaries, as a probate of an estate is more expensive, is public, and lengthy. Recently I had to probate a single person’s estate (passed at the age of 57); the process was lengthy with an inventory, financial and other reports to the court, the sale of real property authorizations; and finally, interim and final accounting and distributions, costing over \$70,000 because of the court process. There are statutory fees for the attorney and the representative (executor) processing the probate 3 – 6% of the estate each. With a trust, I’ve done similar trust administrations for less than \$15,000. This comparison shows the value of having your estate “in order” with standard documents currently.

In my career, I have personally been involved with over 1,000 estates – planning, documentation, administrations, litigation, and distributions. Some families like to have the Will or Trust read, but the current approach is to just have a private distribution by a trustee (personal to the decedent) quickly after the passing. It is quite easy and “no contest” clauses usually dissuade objectors. It is a process that lets the beneficiaries know that they were important to you and that you remembered them. It is part of celebrating your life and providing benefits to those whom you cherished.

**Estate planning** is one of the enjoyable areas of practice at Buynak Law. It is great to see people come to grips with their responsibilities and personal choices to others, their families, friends, and charities, which lifts a burden off their shoulders. As initially said, please don’t procrastinate; if you do your estate planning and documentation, you will feel relieved of the burden your estate has placed on you; your loved ones will benefit from the planning you have accomplished.

Best!

Tim



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