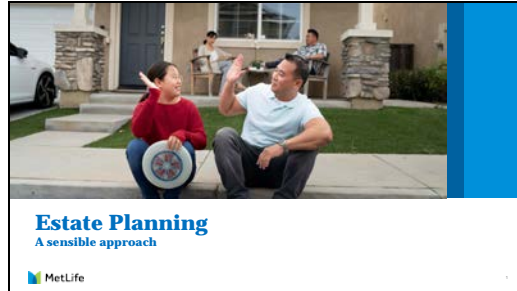


Slide 1



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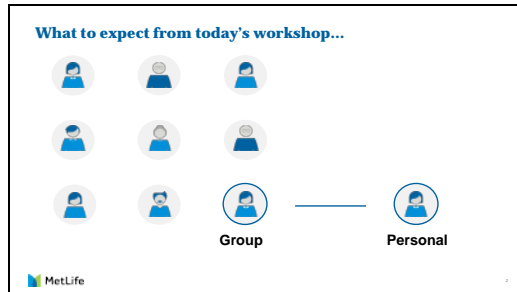
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Slide 2



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Slide 3



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Slide 4

**What does estate planning mean to you?**




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Slide 5

**What is estate planning?**  
Estate planning means different things to different people

Determining who will care for your children	Structuring your finances so your loved ones are taken care of	Strategizing the best way to minimize costs of dying
Establishing who will handle your finances	Deciding who will make medical decisions on your behalf	Determining if your beneficiaries can handle an inheritance




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Slide 6

**Almost everyone needs some estate planning**

- ✓ Parents with young children or financially irresponsible children
- ✓ Spouses with children from former marriages
- ✓ Grandparents who want to benefit and protect grand-children
- ✓ Business owners who want to pass on their business to children or others
- ✓ Individuals who have dependents with special needs




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Slide 7

**Permanent estate tax law?**  
"Permanent" in Washington really means "current"



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Slide 8

**The estate tax landscape**

Federal estate taxes

Year	Top tax rate
2011-2012	35%
2013 and beyond	40%

In 2020, the federal estate tax exemption is generally \$11,580,000 for individuals and \$23,160,000 for married couples



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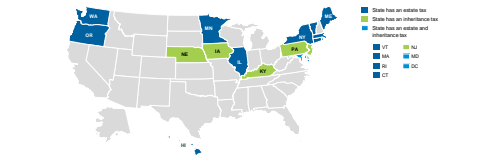
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Slide 9


**Where not to die**

Does your state have an estate or inheritance tax?



Legend:  
■ State has an estate tax  
■ State has an inheritance tax  
■ State has an estate and inheritance tax

Legend:  
■ CT ■ MD  
■ MA ■ NY  
■ RI ■ VT



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Slide 10

**How to avoid the common mistakes people make with their estates**

**#1 – Make a plan**

 Estate planning is about making sure your wishes are carried out

 You want to avoid assets passing to the wrong heir at the wrong time and in the wrong way

 Working with a team that includes a financial advisor, tax professional and estate planning attorney can help put you on course



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Slide 11

**#2 – Document your wishes**

There are five documents that are used to retain control over your wishes and decisions:

1	Will
2	Health Care Power of Attorney or Proxy
3	Durable Financial Power of Attorney
4	Living Will
5	Health Insurance Portability and Accountability Act (HIPAA) Release form



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Slide 12

**#2 – Document your wishes**

Where there's no will, there's no way

 **A will**

-  Should clearly spell out what you want to have happen to your assets and possessions at your death
-  Names your personal representative (executor) and guardian for minor children
-  Without a will, the state may decide where your things are going to go



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Slide 13

### #2 – Document your wishes

Surviving family members often fight over “things” not money



**Talk to your children, friends, and relatives about “nontitled” property (jewelry, furniture, artwork)**

**If state law allows, consider including reference to a tangible personal property memorandum within your will**

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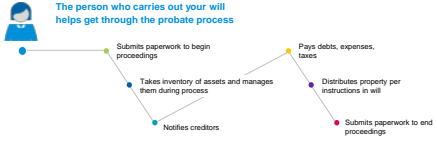
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Slide 14

### #2 – Document your wishes

What is an executor or personal representative?



The person who carries out your will helps get through the probate process

Submits paperwork to begin proceedings

Takes inventory of assets and manages them during process

Notifies creditors

Pays debts, expenses, taxes

Distributes property per instructions in will

Submits paperwork to end proceedings

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Slide 15

### #2 – Document your wishes



**A health care power of attorney or proxy**  
Assigns the person who will make **health decisions** for you if you are unable



**A durable financial power of attorney**  
Assigns the person who will make **financial decisions** if you are unable

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Slide 16

#2 – Document your wishes

<b>A Living Will</b> Provides clear instructions as to what <b>treatment</b> you do and <b>do not</b> want if you are unable to speak for yourself	<b>HIPAA Release Form</b> Allows named individuals to <b>have access</b> to healthcare information
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Slide 17

#2 – Document your wishes

Consider having these documents created if you do not already have them

Will	Health Care Power of Attorney or Proxy	Durable Financial Power of Attorney
Living will	HIPAA Release Form	

Make sure a family member or someone else you trust knows where these documents are kept

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Slide 18

#2 – Document your wishes

Revisit your documents to ensure they are up-to-date and continue to reflect your wishes

Heath Ledger – when the actor died in 2008, it was revealed that the “Dark Knight” star had failed to redo the will he had signed before his daughter was born. This left his entire estate to his parents and sisters.	A full five years later, the family announced all the money would go to Matilda, Ledger’s daughter
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Slide 19

### #3 – Set up guardianship for dependents

- If you don't name a guardian for minor children or a dependent with special needs, a judge will appoint one
- Talk to the prospective guardian ahead of time
- The guardian does not have to be the same person who manages the money

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Slide 20

### #4 – Consider trusts

Trusts can give you additional control

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Slide 21

### #4 – Consider trusts

Benefits of a trust

- ✓ Beneficiaries may gain quicker access to assets
- ✓ Less estate taxes may be due upon death because trust assets may not be considered part of the taxable estate
- ✓ Retain complete control even with complicated situations such as children from more than one marriage
- ✓ Protect your legacy from heir's creditors or those who may not be able to manage money
- ✓ Assets pass outside of probate, which may result in lower court fees/taxes, and remain private

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There are several types of Trusts and the rules regarding establishing and maintaining a Trust can be complicated. Please consult your personal estate planning advisor to determine if a Trust is right for your estate planning needs.

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Slide 22

### #4 – Consider trusts

What are the basics?

- Grantor**
  - Sets up the trust
- Beneficiary**
  - Recipient of trust benefits
- Trustee**
  - Similar to Executor/Personal Representative, but for a trust
  - Executes the Grantor's instructions found in terms of the trust

There are several types of Trusts and the rules regarding establishing and maintaining a Trust can be complicated. Please consult your personal estate planning advisor to determine if a Trust is right for your estate planning needs.

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Slide 23

### #4 – Consider trusts

	<b>Bypass (B) Trust</b>	<b>Irrevocable Life Insurance Trust (ILIT)</b>
	<b>Charitable Lead Trust</b>	<b>Marital (A) Trust</b>
	<b>Charitable Remainder Trust</b>	<b>Qualified Terminable Interest Property Trust</b>
	<b>Generation Skipping Trust</b>	<b>Revocable Trust (Living vs. Irrevocable Trust)</b>
	<b>Grantor Retained Annuity Trust</b>	<b>Testamentary Trust</b>

There are several types of Trusts and the rules regarding establishing and maintaining a Trust can be complicated. Please consult your personal estate planning advisor to determine if a Trust is right for your estate planning needs.

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Slide 24

### #4 – Consider trusts

What are the basics?

State laws vary significantly and need to be considered

Choosing and creating a trust is a complex process

The guidance of an attorney with estate planning expertise is recommended

There are several types of Trusts and the rules regarding establishing and maintaining a Trust can be complicated. Please consult your personal estate planning advisor to determine if a Trust is right for your estate planning needs.

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Slide 25


**#5 – Plan for federal and state estate taxes**



Federal estate taxes are due within 9 months of death – in CASH



There are strategies you can take to reduce the amount of your estate to lower your tax burden



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Slide 26

**#6 – Avoid probate**


What is probate?



Probate is the legal process of verifying your will through the courts



Probate can be slow, costly and it isn't private – it is a matter of public record



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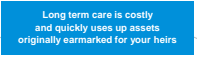
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Slide 27

**#7 – Prepare for long term care**



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Slide 28

**#8 – Know about Income in Respect of Decedent or IRD**

What is income in respect of a decedent (IRD)?



If you didn't pay **income tax** on accrued income during your life, your **beneficiaries** will have to pay the income tax when they get the money

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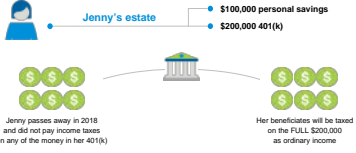
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Slide 29

**#8 – Know about income in respect of decedent or IRD**

How can income in respect of a decedent (IRD) affect your plans?



Jenny's estate

- \$100,000 personal savings
- \$200,000 401(k)

Jenny passes away in 2018 and did not pay income taxes on any of the money in her 401(k)

Her beneficiaries will be taxed on the FULL \$300,000 as ordinary income

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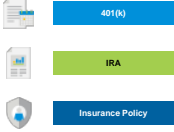
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Slide 30

**#9 – Keep your beneficiaries up to date**

When does a will not have the final word?



401(k)

IRA

Insurance Policy

401(k) plans, IRAs, insurance policies and other assets with named beneficiaries will pass based on your beneficiary designation only

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Slide 31


**#9 – Keep your beneficiaries up to date**


-  Make a list of your assets with named beneficiaries

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-  Review them at least every five years or whenever there is a major change in your life (birth, death, marriage, divorce)

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-  Update as needed

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Slide 32

**#10 – Don't forget about digital assets**

**Ask yourself**  
Could you quickly and easily find ALL the valuable documents and files stored online in the cloud or on your computer(s), phone, tablet, backup CDs, flash drives, etc.?

**What about your accounts with...**



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Slide 33


**#10 – Don't forget about digital assets**

Making arrangements for digital assets may be more difficult than those in the physical world

-  Work with an attorney to designate a "digital fiduciary" who would be given the right to access digital information and define where they would be found

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- Have a plan to shut down "online" presence

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Slide 34

### How to avoid the 10 common mistakes?

1	Make a plan	6	Avoid probate
2	Document your wishes	7	Prepare for long term care
3	Nominate guardians for dependents	8	Know about income in respect of a decedent (IRD)
4	Consider trusts	9	Keep your beneficiaries up to date
5	Plan for Federal and State estate taxes	10	Don't ignore digital assets



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Slide 35

### Your feedback is highly appreciated



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Slide 36

### Next steps


Questions not covered today?

Want to continue the conversation?

Here's how to sign up for your free, no-obligation personal consultation with a local financial professional.

- By now (or very shortly), you have an email from MetLife ([Retirewise\\_support@metlife.com](mailto:Retirewise_support@metlife.com)) with a link to enter your contact information
- Once we receive your request, a local financial professional will reach out to you to schedule a mutually convenient appointment

Or you can Email us at ([Jlee@Metwealthadv.com](mailto:Jlee@Metwealthadv.com)) with your contact information. Please include the name of your company.



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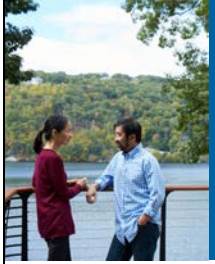
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Slide 37



**Questions?**



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Slide 38

**Important information**

Metropolitan Life Insurance Company, New York, NY 10166

Any discussion of taxes is for general informational purposes only, does not purport to be complete or cover every situation, and should not be construed as legal, tax or accounting advice. Clients should confer with their qualified legal, tax and accounting advisors as appropriate.

MetLife administers the PlanSmart program, but has arranged to have specially-trained third party financial professionals offer financial education and, upon request, provide personal guidance to employees and former employees of companies providing PlanSmart through MetLife.



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