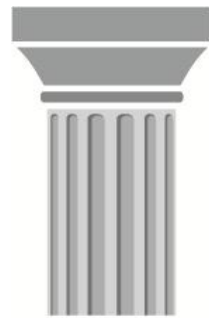


Legal Essentials of Estate Planning



The
Strong Firm®
Attorneys P.C.

*Strong in Community
Strong in Knowledge
Strong in Results*



Strong in Community
Strong in Knowledge
Strong in Results



Our Firm's Philosophy

Providing to our community and clients legal services of the highest quality at a great value with professionals that love what they do.



Strong in Community
Strong in Knowledge
Strong in Results



Our Estate Planning and Probate Practice

- *We are a community-based business law firm (25 years in The Woodlands; 10th year of firm)*
- *We bring a philosophy of solving difficult business problems to handling estates both simple and complex*
- *We take a long-term approach to client relationships and personal planning*



During Life

- **Durable Power of Attorney**
 - *Immediate or Upon Incapacity*
 - *Community Property issues*
- **Medical Power of Attorney**
 - *Medical decisions other than terminal or irreversible conditions*
 - *Prevents disputes between family members*
 - *Facilitates easier communication with hospitals and doctors*
- **Declaration of Guardian – For Minor or Incapacity**
 - *In the event of adult incapacity*
 - *Communicates to judge choice of guardian*
- **Directive to Physicians**
 - *Individual choice in advance regarding life support measures*
 - *Schiavo – 7 years of parents vs. spouse*
 - *Not used if individual can express wishes - Does not affect Hospice/comfort care*



After Death

- ***Disposition of Remains***
 - *Appoints an agent to make arrangements*
 - *Outlines wishes for specific burial, service, cremation, etc*
- ***Last Will and Testament***
 - *Reduces the expense/time in probate*
- ***Revocable Living Trust***
 - *Not to avoid probate – still need Pourover*



Revocable Living Trusts

- ***Trusts are cheaper than Wills – FALSE***
 - *Probably in CA, but not Texas*
 - *Only if you title all assets in the Trust*
- ***Trusts avoid probate – FALSE***
 - *Rare to title everything properly and very typical to still need probate*
 - *Cost to probate a pour-over are about = to traditional will*
- ***Trusts protect assets from lawsuits – FALSE***
- ***Trusts reduce estate tax liability – FALSE***



Truth about Trusts

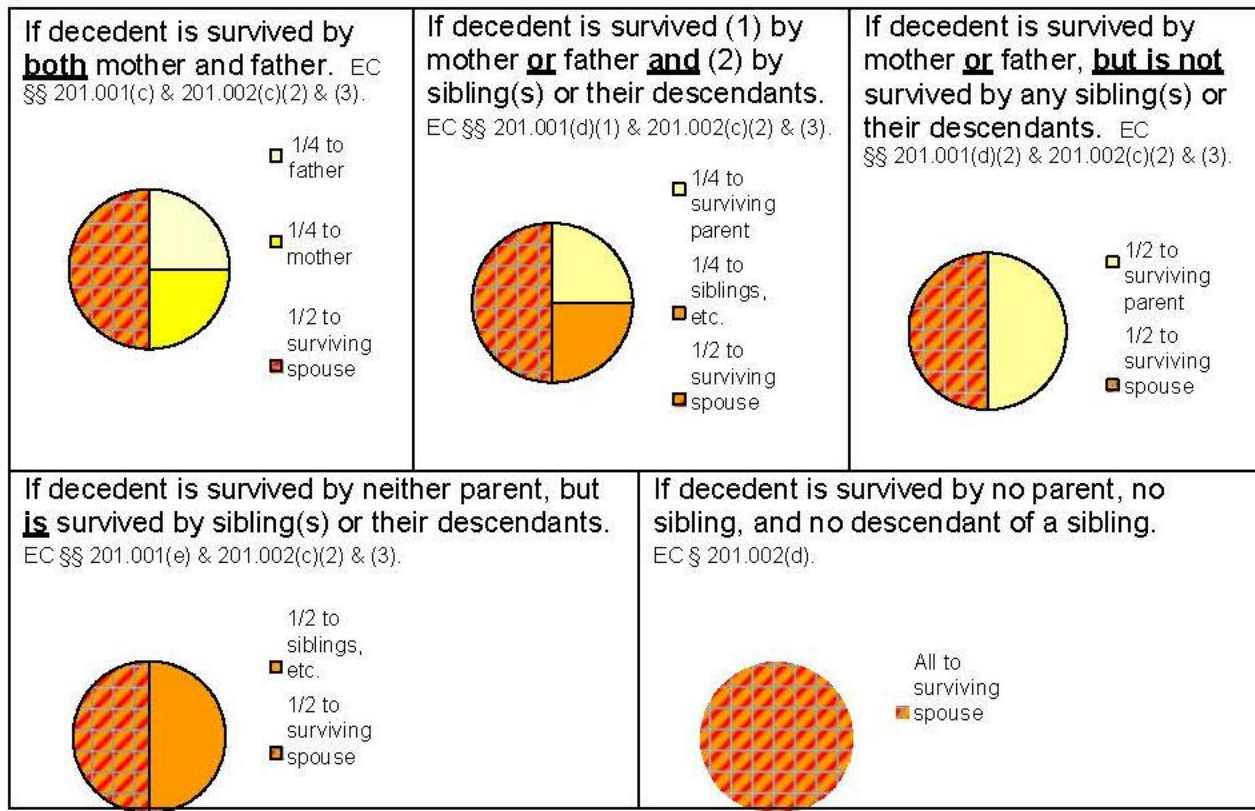
- *Avoid out of state probate for real property in other states – TRUE*
- *Provide for a spouse with mental capacity issues – TRUE*
- *Keep assets and other information out of public records (new affidavit allowed) – TRUE*
- *Limited protection for will contests – TRUE*
- *Tax planning by moving property/changing control – TRUE*



Who Needs Estate Planning?

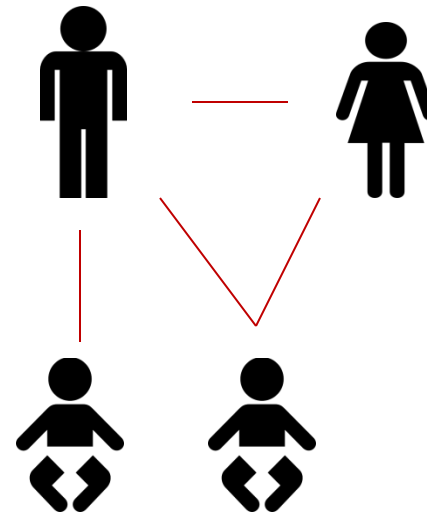
- *Only wealthy people need planning*
- *Only married people need wills*
- *I already have wills from another state:*
 - Will Execution Requirements
 - Simplified Probates
 - Community Property
- *I have an online will - Do not ensure Texas benefits*
- *We'll deal with it later - My spouse gets it all, right?*

Intestacy Chart: Decedent's Separate Real Property





Nuclear Family Family 1



Separate Child

Joint Child

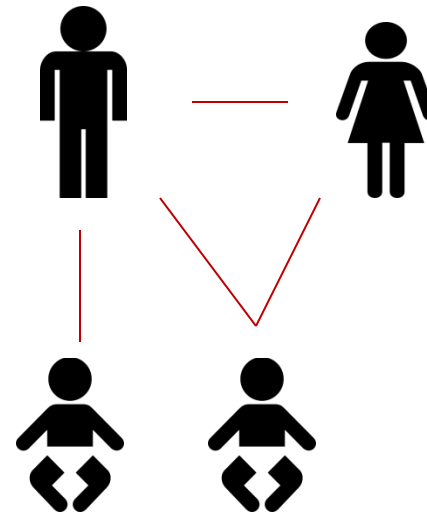


Property





Nuclear Family Family 1



Separate Child

Joint Child



How Can Estate Planning Help?

- ***Properly drafted estate plan will:***
 - Control distribution of property
 - Eliminate complex administrations and guardianships
 - Control when and how your gifts are given
 - Timed Distributions
 - Incentive Trusts
- ***Minimize or Eliminate Estate Taxes:***
 - Unified Tax Credit = \$5.34 million
 - Estate Tax Rate = 40%



Questions?

