Integrity and Initiative

- Primary Goal of Estate Planning
- Making the Child a “Better Person”
- How to Transfer?
- “Learning” and “Earning”

Time to Learn

1. Lifetime Gifts
2. Estate Principal
3. Income Stream
4. Deferred Principal
1. Lifetime Gifts

- What age to start?
- Age of financial responsibility
- Part or all of annual exclusion
- Gifts of property
- Gift of education

Gifts to Children

- Why Give?
- When to Give?
- What to Give?
- How to Give?
- Should you Give Different Amounts?
- The Effect on Self Esteem
- Gift of Education
- How to Transfer Values?

Why Give to Children?

- Start Inheritance Process
- Help with Home
- Cost of Children
- Offer Advice & Encouragement
When Should a **Parent Give**?

- Age of Financial Responsibility
- What is That Age?
- Resources of Parent
- Pensions, Social Security, IRA, Investments

What Should You **Give**?

- Gift of Cash – Age 30-50
- 8 of 10 Spent Cash Gifts
- 8 of 10 Spent other Earnings
- Best Gift – Property or Stocks
- Gift Exclusion ($15,000 in 2021)

Give **Different Amounts**?

**Children**  Different Economic Situations
**Gifts**  Viewed as Representing Love
**Usually**  Give Equally
**Exception 1**  Special Needs Trust
**Exception 2**  Family Business
Impact on Motivation

• Best Gift – Education
• Help Start a Business
• Wait for Maturity
• Gift of Stock or Land

Why Don’t They Think Like Us?

Parents Would Invest the Property
Children Need “Time to Learn”
Children Are Different
Parents Must Understand “Mistakes”
Gifts Help Them Acquire Wisdom

How to Transfer Values

• Teach Values to Children
• Good Parenting from “Family”
• Provide for “Extended Family”
• Show Benefits of Helping Others
• Planned Gifts – Family & Extended Family
2. Estate Principal

- Bypass Trust
- Insurance Trust
- Living Lead Trust
- Bequest of Property

3. Income to Children

Opportunity to Learn to Invest

Term of Years
One-Life Unitrust
IRA or Pension Plan to Trust
Income to Family

Testamentary Unitrust

- Estate Value: $500,000
- Children: $240,000
- 5% Unitrust: $250,000
- Charitable: $298,323

1. Part of estate to unitrust with balance, after taxes and costs, to Children.
2. Trust income of 5% paid for 20 years. First year income $12,500. Total income $272,244.
3. After income payments for 20 years, unitrust to charity.
4. Deferred Principal

- Trust Corpus Distribution
- Charitable Lead Trust
- Family

- Major estate taxes saved
- Charity
- Potential growth to family

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HOW Much Is ENOUGH? Part II

With A. Charles Schultz, JD, AEP®

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Jones Family

- Father
  Business owner & Family
- Mother
  Career & Family
- Three children
  On their way
Surviving Spouse

Home  Liquid Assets

Income  For Lifestyle  “Sleep Well”  Plan

Inheritance For Children

“Plan A”  Provide  Everything  “Plan B”  Added  Economic  Security

Goals for Children I & I

“A good inheritance is designed to help a child to be a better person.”
– Charles Schultz

Integrity  Initiative
Date: ___________________  Speaker: _______________________________________

Name (optional): __________________________________________________

Please rate the following:

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<th>Good</th>
<th>Neutral</th>
<th>Fair</th>
<th>Poor</th>
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<td>5</td>
<td>4</td>
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Were your major objectives for this session met? Was the content of the session vital, timely, substantive?

Comments:__________________________________________________________________________
____________________________________
____________________________________

II. RELEVANCE  5  4  3  2  1

Was the subject matter directly related to the requirements of your job?

Comments:__________________________________________________________________________
____________________________________
____________________________________

III. VALUE  5  4  3  2  1

Do you believe the benefits of this session were worth the time, effort and cost?

Comments:__________________________________________________________________________
____________________________________
____________________________________

IV. SPEAKER  5  4  3  2  1

How was their presentation style? Did the session move along at the right pace? Did they have appropriate knowledge on the topic?

Comments:__________________________________________________________________________
____________________________________
____________________________________

V. MATERIALS  5  4  3  2  1

Were the materials clear and organized and appropriately helpful for the session?

Comments:__________________________________________________________________________
____________________________________
____________________________________

Vi. What did you like the most about the session?

____________________________________
____________________________________

VI. Any suggestions to improve future sessions?

____________________________________
____________________________________

XII. How many years of gift planning experience do you have? _______