CHAPTER 1: GENERAL OVERVIEW OF ESTATE PLANNING AND ESTATE ADMINISTRATION

Learning Objectives 1
Chapter Overview 2
Estate Planning 2
Estate Planning Strategies 5
Gifts 5
Title Transfers 6
Trusts 6
Life Insurance 7
Wills 8
How to Make an Effective Estate Plan 9
Situational Analysis 10
Estate Administration 13
Situational Analysis 16
Chapter Summary 17
Key Terms 18
Case Studies 20
Exercises 21
Analytical Problem 21
Quick Quiz 22
ABA Model Rules of Professional Conduct 22
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case Studies</td>
<td>65</td>
</tr>
<tr>
<td>Exercises</td>
<td>66</td>
</tr>
<tr>
<td>Analytical Problem</td>
<td>67</td>
</tr>
<tr>
<td>Quick Quiz</td>
<td>67</td>
</tr>
<tr>
<td>ABA Model Rules of Professional Conduct</td>
<td>67</td>
</tr>
<tr>
<td><strong>CHAPTER 4: TRUSTS</strong></td>
<td>69</td>
</tr>
<tr>
<td>Learning Objectives</td>
<td>69</td>
</tr>
<tr>
<td>Chapter Overview</td>
<td>69</td>
</tr>
<tr>
<td>Trust Requirements</td>
<td>72</td>
</tr>
<tr>
<td>A Trustor</td>
<td>72</td>
</tr>
<tr>
<td>Trust Property</td>
<td>73</td>
</tr>
<tr>
<td>A Valid Trust Purpose</td>
<td>75</td>
</tr>
<tr>
<td>A Trustee</td>
<td>76</td>
</tr>
<tr>
<td>A Beneficiary</td>
<td>82</td>
</tr>
<tr>
<td>Types of Trusts</td>
<td>85</td>
</tr>
<tr>
<td>Express Trusts</td>
<td>85</td>
</tr>
<tr>
<td>Implied Trusts</td>
<td>87</td>
</tr>
<tr>
<td>Special Situation Trusts</td>
<td>89</td>
</tr>
<tr>
<td>Spendthrift Trust</td>
<td>89</td>
</tr>
<tr>
<td>Short-Term Trusts</td>
<td>90</td>
</tr>
<tr>
<td>Supplemental Needs Trusts</td>
<td>90</td>
</tr>
<tr>
<td>Totten Trusts</td>
<td>90</td>
</tr>
<tr>
<td>Marital Deduction Trusts</td>
<td>91</td>
</tr>
<tr>
<td>Spousal Lifetime Access Trust</td>
<td>92</td>
</tr>
<tr>
<td>Disclaimer Trust</td>
<td>92</td>
</tr>
<tr>
<td>Life Insurance Trusts</td>
<td>92</td>
</tr>
<tr>
<td>Asset Protection Trust</td>
<td>93</td>
</tr>
<tr>
<td>Qualified Personal Residence Trust</td>
<td>93</td>
</tr>
<tr>
<td>Dynasty Trust</td>
<td>93</td>
</tr>
<tr>
<td>Creation of the Trust</td>
<td>93</td>
</tr>
<tr>
<td>Inter Vivos Trusts</td>
<td>93</td>
</tr>
<tr>
<td>Testamentary Trusts</td>
<td>94</td>
</tr>
<tr>
<td>Restrictions on Trusts</td>
<td>95</td>
</tr>
<tr>
<td>Statute of Uses</td>
<td>95</td>
</tr>
<tr>
<td>Rule Against Perpetuities</td>
<td>96</td>
</tr>
<tr>
<td>Investments and Roles of the Parties</td>
<td>98</td>
</tr>
<tr>
<td>Restrictions on Trust Purpose</td>
<td>98</td>
</tr>
<tr>
<td>Termination of Trusts</td>
<td>100</td>
</tr>
<tr>
<td>Tax Considerations</td>
<td>102</td>
</tr>
<tr>
<td>General</td>
<td>102</td>
</tr>
<tr>
<td>Short-Term Trusts</td>
<td>103</td>
</tr>
<tr>
<td>Generation Skipping Transfers</td>
<td>104</td>
</tr>
<tr>
<td>Drafting a Trust</td>
<td>105</td>
</tr>
<tr>
<td>Situational Analysis</td>
<td>110</td>
</tr>
<tr>
<td>Chapter Summary</td>
<td>111</td>
</tr>
<tr>
<td>Key Terms</td>
<td>113</td>
</tr>
</tbody>
</table>
CHAPTER 5: WILLS

Learning Objectives 119
Chapter Overview 119
Testamentary Capacity 120
  Age 120
  Mental Ability 121
  Intent 122
    Fraud 122
    Menace 123
    Undue Influence 123
    Temporary Incapacity 124
Will Provisions 125
  Surviving Spouse 125
  Antenuptial Agreements 125
  Omitted Children 126
  Advancements 126
  Charitable Gifts 127
  Ademption 127
  Lapsed Gifts 127
  Abatement 128
Drafting a Will 128
  Preparation 128
  Clauses 130
Executing a Will 140
  Witnesses 140
  Execution 141
  Self-Proving Wills 142
Miscellaneous Instruments 143
  Nuncupative Wills 143
  Holographic Wills 143
  Statutory Wills 144
  Living Wills 144
  Power of Attorney 145
Changing the Will 145
  Amendment Through Codicils 146
  Amendment Through Operation of Law 146
  Revocation 147
Will Contests 148
Sample Will and Accompanying Documents 151
Situational Analysis 158
CHAPTER 6: ESTATE PLANNING FOR THE ELDERLY

Learning Objectives 165
Chapter Overview 165
Health Care and the Elderly 166
  Medicare 166
  Medicaid 169
  Related Health Care Documents 171
Guardianship 172
Income Maintenance 175
  Social Security 176
  Supplemental Security Income 177
  Veterans’ Benefits 177
Private Pension Plans 178
  Plans Funded by the Individual 178
  Plans Funded by the Individual’s Employer 179
Ethical Concerns 179
Situational Analysis 180
Chapter Summary 181
Key Terms 182
Case Studies 183
Exercises 184
Analytical Problem 185
Quick Quiz 185
ABA Model Rules of Professional Conduct 185
Social Security Form 186

CHAPTER 7: ESTATE ADMINISTRATION 197

Learning Objectives 197
Chapter Overview 197
The Pre-Probate Process 198
  Death Certificate 199
  Exhibit 1: Death Certificate 200
  Petition to Open Safe Deposit Box 201
Exhibit 2: Petition to Open Safe Deposit Box 202
  Petition to Search 203
  Exhibit 3: Petition to Search 204
CHAPTER 8: TAXATION

Learning Objectives 245
Chapter Overview 245
Federal Tax Law 248
Federal Tax Forms 249
SS-4: Application for Employer I.D. Number 249
Form 706 — United States Estate and Generation Skipping Transfer Tax Return 249
Form 706 Schedules Relating to Assets 251
Schedule A: Real Estate 251
Schedule B: Stocks and Bonds 252
Schedule C: Mortgages, Notes, and Cash 254
Schedule D: Insurance on Decedent’s Life 255
Schedule E: Jointly Held Property 256
Schedule F: Other Miscellaneous Property 257
Schedule G: Transfers During Decedent’s Life 257
Schedule H: Powers of Appointment 257
Schedule I: Annuities 258
Form 706 Schedules Relating to Deductions 258
Schedule J: Funeral and Administrative Expenses 258
Schedule K: Debts of the Decedent 259
Schedule L: Net Losses During Administration 259
Schedule M: Bequests to Surviving Spouse 259