

"The Heart of Estate Planning" Newsletter

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WHAT IS THE "HEART" OF ESTATE PLANNING?

It is, quite simply, leaving a clear plan for those you love to follow.

When someone first comes to see me, they are not usually interested in knowing the technical, legal details about how and why one or another type of estate plan works. They want to know that, on their death or incapacity, the people they love will know what to do to accomplish their last wishes. They want to provide for their loved ones in the best way they can. Some want to leave a legacy, of whatever size they can, to help a cause they believe in. This is the "Heart" of estate planning - beyond the legal language, beyond the technical details - to a plan that encompasses the love we feel for the special people in our lives: family, friends, even those special causes or concerns.

This is my special area of focus in my practice: to create estate plans that reflect the values my clients hold most dear, and that are easy for the ones they love to follow and understand.

NEW LEGISLATION AFFECTS YOUR FAMILY'S ACCESS TO IMPORTANT MEDICAL INFORMATION

If you are already a client of mine, then you probably already have an Advance Health Care Directive. Even if this is the case, and certainly if you have not yet done your estate planning, here are a few words about the importance of this document and the new laws affecting your privacy rights.

It used to be that your doctor could discuss your medical records with your spouse, parents, adult children or other family members to gain consent to medical treatment if you were unable to give that consent yourself. Under the new laws effective in 2004, health care providers can now only grant access to your medical records to the person named

as your health care agent in your Advance Health Care Directive.

So, this document is now crucial to providing your family with access to the information they need to make informed decisions about your health care treatment.

If you have not yet had an Advance Health Care Directive done, or if you are considering changing the person you have named as your health care agent (or adding an alternate agent so there is always someone available), now is the time to review and/or set up this important estate planning tool.

PUTTING PROPERTY INTO JOINT TENANCY

MAY DO MORE HARM THAN GOOD!

Many people think that transferring title to their property into joint tenancy with their intended beneficiaries (i.e., children) is a good way to pass the property to the kids upon death without probate.

While it is true that property held in joint tenancy will pass to the surviving joint tenants without probate, there are some serious disadvantages which, in some cases, can be more costly than if the property had gone through probate.

Transferring an asset you own into joint tenancy constitutes a gift during lifetime to the person whose name has been added to title. If your estate may be subject to federal estate tax upon your death, then this gift could increase your estate taxes.

A bigger problem, though, is the potential capital gain tax consequence. If you transfer your appreciated property to someone else during your lifetime, then upon your death the donee's basis in the property, for capital gain tax purposes, is the same as yours. This means that if you bought a house for \$100,000.00, and it is worth \$500,000.00 on your death, your donee will have to pay capital gain taxes on the difference between the price you paid for it and the price they got for it.

Alternatively, if you put that same property into a Living Trust, it will pass on your death to your intended beneficiaries without probate, and they will only pay capital gain taxes on the difference between the property's value at your death and its sale price. Many times, this results in no capital gain tax at all!

I invite you to call me any time to get more information about how I can help you to create the plan that will work best for you and those you love.

NEW YEAR'S RESOLUTION SPECIAL!

*For All Those Who Put
"Get That Will and Living Trust Done"
on their New Year's Resolutions list every year
(but still haven't gotten around to it...)*

**20% Off All Estate Planning Document Preparation
Now Through January 31, 2005**

*Call By December 31st To Make An Initial Appointment
And Also Receive A Free, Laminated "Emergency Wallet Card"
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(be sure to mention this ad)*

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