Copenbarger & Copenbarger LLP
attorneys at law

2025 Family Protection Seminar

Is Everything Protected?

Copenbarger & Copenbarger LLP
attorneys at law

Welcome to our 2025 Family Protection Seminar! This year we will focus on various topics including:

- Why Not Legal Zoom? You Can't Sue Yourself: How to ensure your estate plan is established correctly and that it provides the best protections for you and your family.
- Preserve Your Digital Legacy: How to pass your cryptocurrency, digital accounts, social media, and cherished photos.
- Emails Aren't Amendments! How to ensure your estate plan life and law updates are legal and enforceable; don't let your changes cause a lawsuit.
- Keep Your Property in Your Legacy: How you can pass your property to your loved ones without reassessment under Proposition 19 rules.
- Don't Lose Your Estate To Long Term Care! How major Medi-Cal changes and protections can ensure you receive the care you need without losing everything you've built.
- Your Business is Personal, Your Planning Should Be Too! Discover essential insights on minimizing tax liability, LLC formation, business planning & compliance with new laws.
- Secure Your Future: Discover how to seamlessly transfer your assets after death.
- Keep The Peace: Learn how to prevent family disputes and navigate trustee & beneficiary rights and responsibilities.

Copenbarger & Copenbarger LLP is now offering workshops, Lunch n' Learns, and seminars for your workplace, small group, or church!

Ask for details at the appointment table today!

We love reviews! Visit our social media pages to let us know how we're doing or visit our Registration Table for more information on how you can help the firm!

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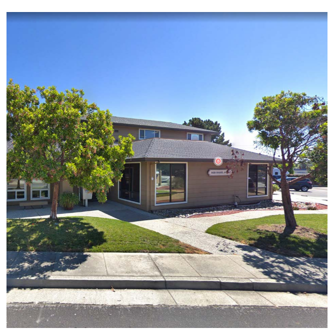

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NOTE: All mail must be sent to our Santa Ana office address.
For your security, please confirm with us before you drop off any documents.
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Areas of Practice

Estate Planning:

- Revocable Living Trusts
- Trust Amendments- Modifications
- Restatements
- Long Term Care Trust Planning
- Life Insurance Trust
- Charitable Remainder Trust
- Standalone Retirement Trust
- Estate Preservation
- Rabbi Trust
- Gun Trust
- Generation Skipping/Firewall Trusts
- Tax Planning Trusts
- Special Provisions & Trusts
    - Substance Abuse Deterrent
    - Special Needs Trust
    - Minors Trust
    - Second Marriage Protection
    - Blended Family Protection
    - Life Residence Estates
    - Pet Provision
    - Spendthrift
- Wills (Codicils)
- Durable Power of Attorney
- Nomination of Conservator
- Advance Healthcare Directive
- Trust Funding
- Deeds

Estate Administration:

- Estate Administration (Settling Decedent's and Survivor's Estates)
- Trust Administration (Carrying Out the Terms of the Trust)
- Probate
- Conservatorship
- Guardianship
- Accountings

Business & Tax Planning:

- Business Formation
    - LLCs
    - Incorporations
- Contracts
- Business Compliance
- Business Succession Planning
- Prenuptials & Postnuptials
- Tax Planning
- Tax Returns
    - Fiduciary Income Tax
    - Estate Tax
    - Gift Tax
    - Individual (Decedent's Final Return)

Educational Events and Workshops Related to These Topics Are Available for Businesses, Schools, and Churches!

Copenbarger & Copenbarger LLP: Serving Californians Statewide!
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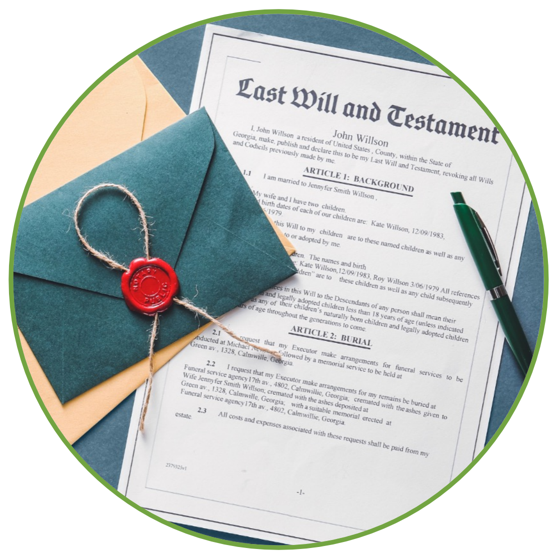
ESTATE PLANNING ESSENTIALS

Keeping Your Plan up to Date and Yourself Protected

Larry Copenbarger, LLM
Estate Planning Attorney



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TODAY'S AGENDA

Topic:

Establishing Protections

Keep Your Plan Updated Through **Life's Changes**

Keep Your Plan Updated as **Law Changes**

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OUR MISSION

Our mission is to provide high quality legal services and education to our community of friends and neighbors while carrying out our purpose with integrity, honesty, honor, and trust.

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OUR ATTORNEYS

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Santa Cruz

Pasadena

San Diego

Sacramento

Laguna Hills

FOUNDATIONS OF ESTATE PLANNING

The Essentials

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ESTATE PLANNING ESSENTIALS

Advance Healthcare Directive | Conservatorship | Durable Power of Attorney
Probate | Living Trusts | Wills | Digital Assets | LOI's

AHCD

What is an Advance Health Care Directive?

- Gives authority to act on your behalf–healthcare
- Everyone over 18 years of age needs one
- How to get started on yours now
- When to make changes to yours
- When it goes into action

AHCD

What is Needed?

New language is needed for Kaiser to accept your AHCD!

- Existing AHCD - addendum language can be added to ensure compliance
- New AHCD - this language is included in your document

DPOA

What is a Durable Power of Attorney?

- Gives authority to act on your behalf–financial
- When to make changes to yours
- How to get started on yours now
- When it goes into effect
- When to get a DPA

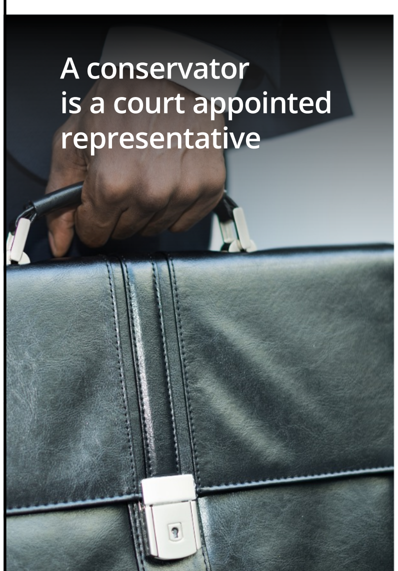
PHCD

What is a Psychiatric Health Care Directive?

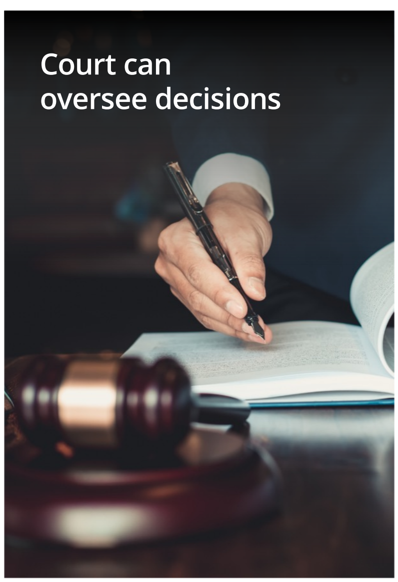
- Used for mental health specific care and facilities
- Outlines in depth wishes re. medications, treatments, physicians, etc.
- Not all facilities accept the AHCD but require this additional doc

CONSERVATORSHIP

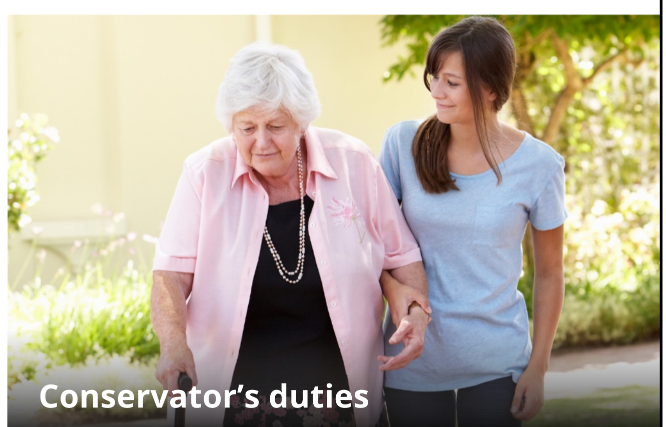
What is a Conservatorship? ***If No Documents in Place***



A conservator is a court appointed representative



Court can oversee decisions



Conservator's duties

- Overseeing finances
- Establishing and monitoring the physical care
- Managing living arrangements

WILLS

Purpose of a Will

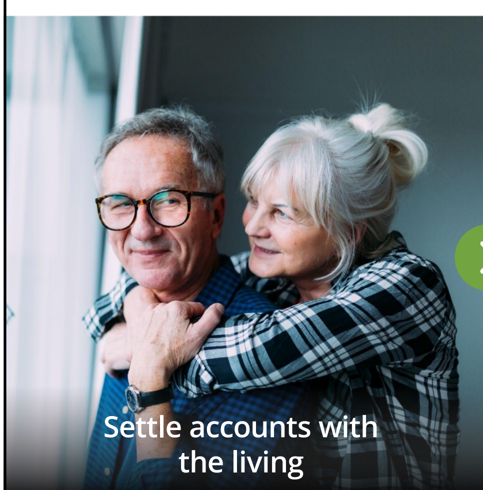
Who Needs a Will?

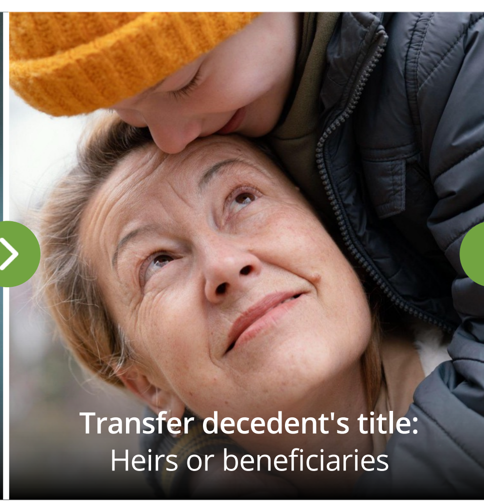
- Individual(s) with no real estate
- Individual(s) with an estate less than $184,500
- Parents of minor children

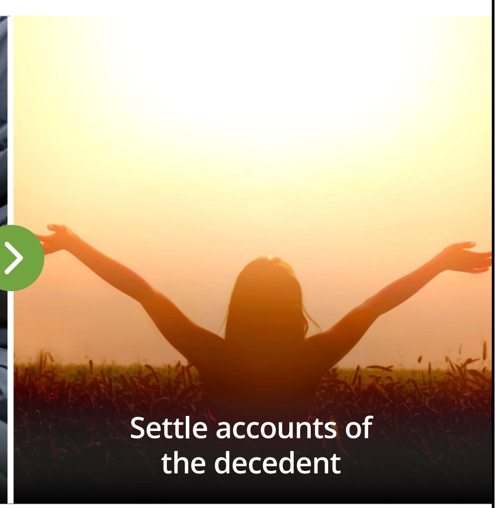
Types of Wills

ESTATE PLANNING ESSENTIALS

Probate: What is the Purpose of Probate?







ESTATE PLANNING ESSENTIALS

Probate: What are the Facts?

- Legal process that follows state rules
- Costs 5%-7% of the gross estate
- Control is with the court, not the family
- Often causes lengthy delay in settling the estate and time is money (18-24 mo.)

ESTATE PLANNING ESSENTIALS

Probate Costs in Oceanside

Median Home Value $ 885,000

Attorney Fees:	$20,700
Executor/Administrator	$20,700
Probate Referee	$1,000
Filing Fees	$1,500
Publication Fees	$1,000
Misc. Costs	$1,000

**** Probate Calculator on Website ****

Total Approximate Cost: $45,900

ESTATE PLANNING ESSENTIALS

Probate: The Good News is...

Judicial Proceedings Are Optional

Probate Can Be Avoided

- Will Substitutes
- Living Trusts

LIVING TRUST

What is a Living Trust?

What is it:
A contract between settlor and trustee

Settlor:
Creates the trust and sets the terms

Trustee:
Manages and invests the trust assets

Beneficiary:
Person/entity named in trust to benefit

LIVING TRUST

What are the Benefits?

- Avoids probate
- Protects your privacy
- Allows tax planning
- Ensures your wishes are carried out:

  Only protects what it owns
- Avoids court-supervised guardianships or conservatorships

PROFESSIONAL FIDUCIARIES

Choosing Trustees

I don't want my kids managing the money…

- **Directed Trustees**
  - ➢ Someone who can manage the financial matters
  - ➢ Separate liability - different than a co-trustee!
  - ➢ Child can handle the day to day; professional can handle the money
- **Professional Fiduciary**
  - ➢ Either co-trustee or sole trustee
  - ➢ Have full liability as a trustee or with co-trustee

POUR OVER WILL

Extra Protection

- Names a guardian for minor children
- Names an executor
- Accompanies a trust
- Can transfer personal effects
- Transfer remaining assets to trustee: ***But it must be probated to do so!***

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LETTER OF INSTRUCTION

1. Burial instructions
2. Notifications
3. Location of documents
4. Distribute personal effects
5. How to access important accounts

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EMOTIONAL TREASURES

Digital Assets

- Social Media & Digital Accounts
- Email accounts
- Cryptocurrency
- Family History & Mementos
  - Family recipes, pictures, videos, personal letters, journals or written memories, personal videos, and more

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LIFE PLANNING FOR EVERY STAGE

Maintaining Your Plan
As Life Changes

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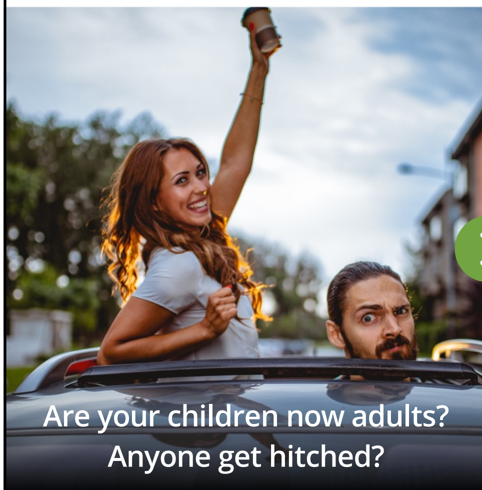
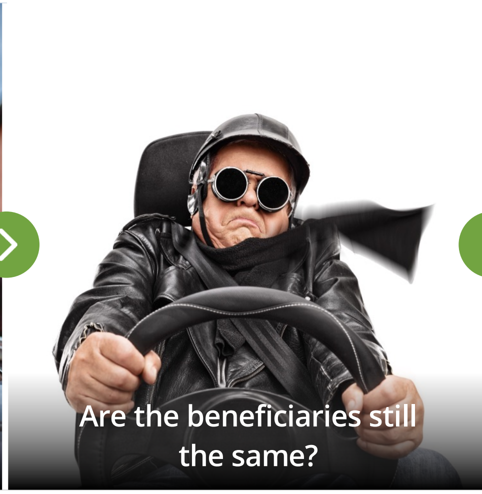
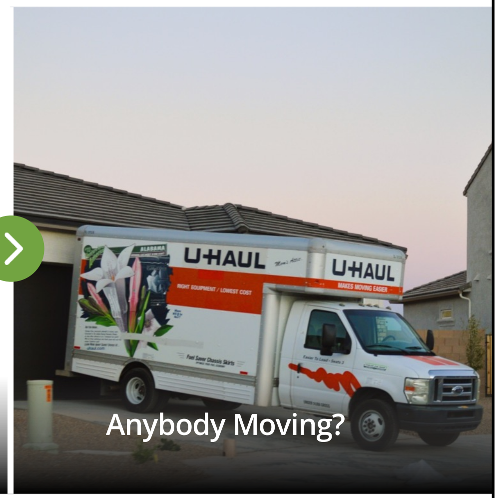
LIFE PLANNING

Emails Are Not Amendments!







LIFE PLANNING

Before You Move

- Make sure your California trust is fully funded
- Make sure your trustees and beneficiaries are current
- Make sure your portfolio has current statements and deeds

LIFE PLANNING

Anyone Got Hitched / Unhitched?

Married?

A/B Trusts

- Maximize tax credits
- Protects 50% of the estate
- Helps ensure wealth & estate stays in your family

Divorced?

- Update documents
- Helps ensure wealth and estate stay in your family
- Blended Families + Bonus Kids

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LIFE PLANNING

Creditors, Predators, & Divorce

Generation skipping provisions:

- Creditors
- Lawsuits
- Bankruptcy
- IRS
- Divorcing spouse

Ensure your wealth stays in your family!

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LIFE PLANNING

Protecting a Beneficiary With a SNT

Provide your Trustee with options to establish a **Special Needs Plan** allowing your Trustee to:

- Manage your child's resources
- **Protect** your child or grandchild
- Carry out **your wishes**
- Maintain government programs For your child

LIFE PLANNING

Special Types of Planning to Consider

- Life Insurance Planning
- Standalone Retirement Trust
- Pet Planning
- Addiction / Substance Abuse
- Minor's Trust
- Remarriage Protection
- Rental Property
- Special Needs Trust
- Education Trust
- Next Generation Planning

LIFE PLANNING

Life Changes

An Email Isn't Enough - Changes Need to be Legally Valid

- Changing Trustees
- Changing Distribution
- Changing Powers of Attorney

LIFE PLANNING

Legacy Planning (The Four R'S)

- Relationships
  - ➢ Photos, videos, memories, farewells, recipes
- Resources
  - ➢ Will, trust, LOI, etc.
- Religion
  - ➢ Family constitution
- Reputation
  - ➢ My care document

STAYING AHEAD OF LEGAL CHANGES

How Legal Changes Are Shaping Your Future

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LEGAL CHANGES

Legal Changes Impacting Your Legacy

- Prop-19
- Medi-Cal Changes
- Secure Act
- Gift & Estate Taxes

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LEGAL CHANGES

Prop 13 vs Prop 19

Prop 19 amended the California Constitution – 2 important new sections

Section 1 - **The Good**

- Deals with Seniors moving their primary residence current tax assessment value (tax base) to a replacement primary residence. Also covers disabled & victims of disasters

Section 2 - **The Bad**

- Deals with property tax inheritance rules: parent-child and grandparent-grandchild

LEGAL CHANGES

Prop 19: Changes

Prop 19 Restrictions on Parent-Child Exclusion

- **Restriction** on transfer of parent's primary home: Parent to child gift/inheritance now has requirement and a value limitation
- Requirement: the **child must occupy the property as their primary residence**
- **Parents with more than one child** should have their trust reviewed

LEGAL CHANGES

Prop 19 Workaround For New Property

For Homes and All Properties

- Right of First Refusal
- Use an LLC (Limited Liability Company)
  - Have us form an LLC **before** you buy new property
  - No one receives >50%
  - Keep low assessed value for property that will be kept in family

LEGAL CHANGES

Medi-Cal Planning

Medicare

VS

Medi-Cal / Medicaid

LEGAL CHANGES

Changes to Medi-Cal *AB-133*

Phase 1

(07/01/22)-Implemented

- **Single** Allowance: $130,000
- **Married** Allowance: $278,620 ($130,000 + $148,620 for Spouse)
- Additional family members **$65,000** each up to a max of 10

Phase 2

(01/01/2024) -Implemented

- Single & Married Allowance: **Limits are eliminated- Income counts**
- New planning techniques

LEGAL CHANGES

The SECURE Act

SECURE Act
January 1, 2020

SECURE Act 2.0
December 23, 2022

New Rules
Protection of your retirement money

LEGAL CHANGES

The SECURE Act

How Retirement Plans are Transferred at Death:

- By beneficiary designations (mostly to specific individuals)
- Without protection / Wise guidance
- Without tax planning

LEGAL CHANGES

The SECURE Act

- Original SECURE Act increased required beginning date from 701/2 to 72 in 2022. Secure Act 2.0 increases required minimum distributions (RMDs) Age for RMDs 73 in 2023 and 75 in 2033
- Bigger IRA catch-up contributions. $6,500 in 2023. People over 50 can catch-up $1,000/year increased for inflation
- Allows penalty-free withdrawals of $10,000 from 529 plans for repayment of certain student loans

LEGAL CHANGES

The SECURE Act: Key Provisions

Requires most beneficiaries to withdraw inherited account balances within **10 years** of account owner's death. RMDs required in years 1-9

Exceptions for beneficiaries who are either:

- Spouse
- Minor child of account owner
- Less than 10 years younger than account owner
- Disabled
- Chronically ill

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LEGAL CHANGES

Federal Estate Tax: Lifetime Transfer

- Gift tax applies to transfers made during your life
- Certain gifts are excluded (e.g., $19,000/person annual gift tax exclusion)
  - ➢ Consider using an LLC for gifting
- $13.99 Million exempt from all transfers (gifts and estates)

January 1, 2025

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LEGAL CHANGES

Federal Estate Tax – Exempt Amount is "Portable"

For Married Couples

- Exemption is "portable" - unused portion left by deceased spouse, can be transferred to surviving spouse
- $ 27.98 Million can be tax free
- Sunset provision (50 % cut) 2026**

**** expect changes under this administration**

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CONCLUSION

How We Can Help

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HOW WE CAN HELP

Establish a Plan

- Consider what **matters most to you**. How do you want your family protected?
- Determine responsible successors
- Come in for a review of your Spring Cleaning Checklist

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WHY COPENBARGER LAW?

Working with Qualified Professionals

- Open since 1979
- 9 full time attorneys, 1 attorney of counsel & a CPA
- Over 350 years of combined attorney experience!
- Advanced Tax Degrees

- Certified Specialists in Probate, Estate Planning, and Trust Law
- 45+ highly qualified support staff
- Diverse staff & diverse skills
- 8 office locations + ZOOM

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CONTACT US

We are here to help!

We have our team standing by ready to assist with any questions or comments you may have.

We look forward to hearing from you!

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