Estate Planning

Key Concepts:

Probate and Probate Process

A legal process by which a will is administered to distribute probate property. Probate property is anything owned individually (or as tenants in common) without a beneficiary designation.

The probate process is triggered at death when:

- The estate includes any probate real estate (A transfer on death deed is, effectively, a beneficiary designation)
- The total value of all probate property is $75,000 or more.

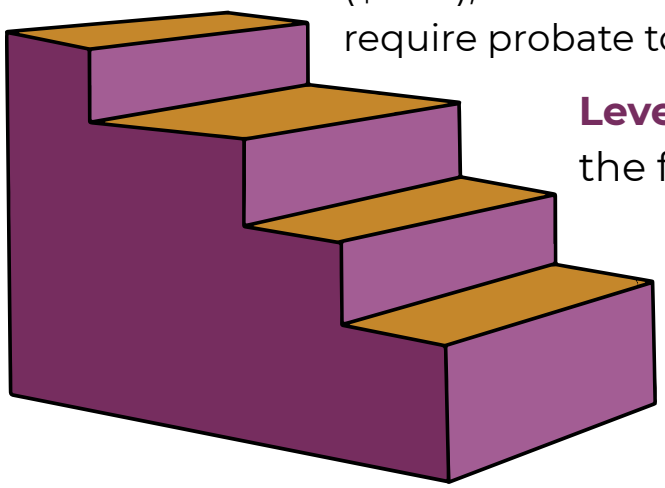
Estate Tax

- Minnesota Estate Tax begins at $3 Million. No Portability.
- US Estate/Gift Tax begins at $15 Million. With Portability.
- US Generation Skipping Transfer Tax (GSTT). $15 Million. No Portability.

Four Levels of Estate Planning

Level 4: **Irrevocable Trust** - Add if you exceed the MN exemption and want to do further estate tax planning; or if the federal exemption threshold is relevant.

Level 3: **Trust** - Add if you have a MN taxable estate ($3M+), minor beneficiaries, or complexity that would require probate to execute effectively



Level 2: **Will** - Add for minor beneficiaries or the formality and protection of probate.

Level 1: Everyone

Power of Attorney

Health Care Directive

Transfer on Death Deed(s) for Real Estate

Estate Planning

Charitable Giving Considerations:

Unlimited Deductions on Estate Tax Return

All of your charitable gifts through your estate are 100% tax deductible

When Possible, Name Charitable Beneficiaries on Qualified Accounts

- Avoids the probate process
- Also notify those charities in advance so they know how you'd like your gift used when they recieve it.

Qualified Charitable DIstributions

- Reduce taxable income now while realizing your charitable goals
- Only applies to IRAs
- May not cover your entire required minimum distribution (RMD)

My Notes:

Information provided by:
Adam Nelson, Attorney, Rochester, MN

YANOWITZ
Law Firm | PLLC

(507) 252-8997

Flyer & Event by:

Catholic Foundation of Southern Minnesota