
Managing Probate When Setting Up Your Estate

Weekly Educational Update – January 2, 2020

Probate process. Probate can take more than a year in some cases, and fees and court costs may add up over that time. In many cases, this is due to routine clerical work. So, how can you attempt to exempt more of your assets from probate and its accompanying costs? Read on to learn more.¹

Joint accounts. Married couples may hold property as a joint tenancy. Jointly titled property includes a right of survivorship and is not subject to probate. A few states allow community property with right of survivorship. By titling assets this way, they may skip the probate process. However, probate laws may vary, depending on which state you reside. Make sure to speak with your trusted legal professional before moving forward with any change to your estate strategy.^{2,3}

POD & TOD accounts. Payable-on-death and transfer-on-death forms are used to permit easy transfer of certain accounts and assets. As long as the original owner is alive, the named beneficiary has a limited claim on the accounts or assets. However, when the original owner passes away, the named beneficiary is in a position to assume control.⁴

Revocable living trusts. In a sense, these estate tools allow people to do much of their own probate while living. The person who establishes the trust will fund it while still alive and also designate who will be the beneficiaries of those funds upon their (the grantor's) death.⁵

When the grantor dies, the trust lives on – it becomes irrevocable, allowing its assets to be distributed by a trustee. The distribution is private, and it can save beneficiaries both court costs and time.⁵

Using a trust involves a complex set of tax rules and regulations. Before moving forward with a trust, consider working with a professional who is familiar with the rules and regulations.

Nonprobate assets. The common denominator of a nonprobate asset is a beneficiary designation, which allows these assets to pass either to a chosen beneficiary or a joint tenant.⁶

Make sure to list/update retirement account beneficiaries. When you open a retirement account, you are asked to designate eventual beneficiaries of that account. This beneficiary form stipulates where these assets will go when you die.⁷

Estate strategies are complex and may include various tools and forms. Having your overall approach and beneficiary designations reviewed and updated by a legal or financial professional can be a smart move.

QUOTE OF THE WEEK



“New Year’s Day is the first blank page of a 365-page book. Write a good one.”

- Brad Paisley

RECIPE OF THE WEEK



Champagne Gummy Bears



Nothing says “The New Year” like a beautiful flute of champagne. Get all the spritz and sparkle of champagne in gummy bear form with this DIY recipe.

[100 gummy bears]

Ingredients

- ½ cup champagne or sparkling wine
- 2 Tbsp. powdered gelatin

- 3 Tbsp. sugar
- A gummy bear mold (like [this one](#))

Directions

1. Pour the champagne in a saucepan over low heat and add the sugar and gelatin, whisking constantly. Continue until dissolved.
2. Slowly pour the gelatin mixture into the gummy bear molds. Pro tip: use an eyedropper for more accuracy.
3. Refrigerate or until the gummy bears have set, about 15 minutes.

Recipe adapted from Pinch and Swirl⁸



Tax Tips for Small-Business Owners

If you're a small-business owner, there are a few tax planning strategies you can implement to save money. Here are just a few:

- **Claim 100% bonus depreciation for asset additions** - If you have new or used property, you may be eligible for a first-year bonus depreciation. In other words, you may be eligible to write off some of your 2019 asset additions. The same rule may also be applicable for heavy SUV, pickup, or van purchases.
- **Time your business income for tax savings** - If you conduct your business using a pass-through entity, your share of your business's income is passed through to you. This means that deferring income into next year makes sense if you expect to be in the same or lower tax bracket next year. The qualified business income from pass-through entities deduction can also help because deductions can be up to 20% of a pass-through entity owner's qualified business income.

* This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.

Tip adapted from Market Watch⁹



New Year's Resolutions for Golfers

The new year means New Year's resolutions. Instead of making general resolutions this year, make ones specifically focused on your game. Some fun and tactical examples include:

- Smile more. After all, you're out there to have fun (even if you do shank the ball)!
- Visualize your name on your club's Honor Board.
- Focus on your short game.
- Don't lose your temper as easily.
- Lower your handicap.
- Improve your fitness. A well-played game happens on and off the course.
- Play more golf. This one's simple.
- Take some lessons. Even the best golfers can benefit from some pro tips.
- Visit a new course. Bonus points if it's in a totally different state or country.
- Golf with a new group of buddies.
- Increase your drive length.
- Nail your chip shots.
- Teach someone else how to play. We all started somewhere.

New Year's resolutions are a chance for us to reflect on the past year and discover ways to be our best selves, both on and off the green.

Tip adapted from Golf Monthly¹⁰



Intentions Versus Resolutions

As the new year rolls in, we hear a lot of talk about New Year's resolutions. But resolutions might not be best for everyone. Instead, it might be beneficial to shift your thinking and view these opportunities as intentions.

But what's the difference between resolutions and intentions? To some people, resolutions feel a bit judgmental. Your goal is to change some aspect of yourself, and there's a lot of pressure to stick to resolutions, even if they turn out to not be the right fit.

In contrast, intentions are mindful decisions you can make to be the best version of yourself. For example, instead of setting a resolution to lose 15 pounds, set an intention to eat more real food and move your body a few times a week. Your intention is to live healthier and are a low-pressure commitment to yourself this new year.

Tip adapted from Nutritious Life¹¹



Make a Green New Year's Resolution

There are countless goals you can set for the new year, from losing a few pounds to spending more quality time with friends. If you want to make a resolution to be more environmentally friendly, here are some green New Year's resolutions to start with:

- Bring your own reusable shopping bags everywhere you go. Many states ban or charge for disposable plastic bags, so this resolution will save you money as well.
- Cook from scratch more. Prepared food, either from the grocery store or from restaurants, usually requires a lot of plastic. Plus, it takes a lot of natural resources to get those prepared meals from the farm to the factory to your dining table. Cook from scratch more to reduce your carbon footprint (even better if the groceries are sourced locally).
- Avoid fast fashion. Mass-produced fashion in big-box stores might be affordable to the end consumer, but a lot had to go into those deals. In addition, a lot of these "fast fashion" pieces are made with harmful dyes, synthetic fabrics, and use a lot of resources to produce. Instead, buy second-hand and only invest in pieces you'll love for a long time.

Tip adapted from Small Footprint Family¹²

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¹ <https://www.nolo.com/legal-encyclopedia/why-avoid-probate-29861.html>

² <https://info.legalzoom.com/difference-between-community-property-rights-survivorship-vs-joint-tenancy-21133.html>

³ https://www.law.cornell.edu/wex/tenancy_by_the_entirety

⁴ <https://www.nolo.com/legal-encyclopedia/avoid-probate-transfer-on-death-accounts-29544.html>

⁵ <https://www.thebalance.com/how-does-a-revocable-living-trust-avoid-probate-3505224>

⁶ <https://www.fidelity.com/life-events/inheritance/inheritance-basics/probate>

⁷ <https://www.marketwatch.com/story/how-to-avoid-making-the-same-mistake-aretha-franklin-did-2018-09-04>

⁸ <https://pinchandswirl.com/champagne-gummy-bears/>

⁹ <https://www.marketwatch.com/story/7-year-end-tax-planning-strategies-for-small-business-owners-2018-10-22>

¹⁰ <https://www.golf-monthly.co.uk/features/the-game/8-new-years-resolutions-for-golfers-83534>

¹¹ <https://nutritiouslife.com/live-consciously/intention-vs-resolution/>

¹² <https://www.smallfootprintfamily.com/10-green-new-years-resolutions>