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The Solari Report

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**Solution Series:
Protecting Your Family's Assets
through Wills and Trusts
with
Ann Christensen**

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James White: Hello once again. I'm James White, and this is another episode of the *Solution Series*. I am joined, as always, by my cohost, Corey Lynn. Corey, it's always great to be here with you.

Corey Lynn: It's great to be here, too.

White: It is indeed. February is going to be more of a financial series on your personal assets. Both the interviews this month will be on that topic. We are delighted today to be joined by Ann Christensen. I'm going to give a brief introduction on Ann.

Ann has 35 years of experience in the personal trust arena. Most of that time was at a variety of bank-run and independent trust companies. In 2012, she had the opportunity to leave corporate America and start her own private fiduciary business, giving understanding to many individuals who do not want to work with financial institutions – me included.

Christensen Consulting offers a personalized relationship-based consulting approach to assist individuals and families while they are developing their estate plans and advisory team. We want to point out that she is not an attorney, she is not an investment manager, she is not a tax person, and she is not a financial planner, but she does do estate planning documents. They need to be reviewed and updated, and she needs to make an honest assessment of your family dynamics to have clarity about your organization and your assets. Tangible assets are important, and we are going to talk about that as well.

Ann Christensen, thank you so much for being here today on the *Solution Series*.

Ann Christensen: My pleasure. I look forward to it.

White: We are glad to have you here.

Corey, I know that this is one of the things that we have talked about. This is a topic that is near and dear to your heart. Do you want to start off with some questions for Ann?

Lynn: Sure! We will talk about trusts, wills, estates, and other important documents for people. Living trusts would be part of that discussion as well. It's important now for people in their 30's, 40's, and 50's. I would assume that it's not only for people later in life.

Christensen: Right.

Lynn: Maybe it would be good to start by explaining a will, a trust, and a living trust, and tell us what the difference is among them.

Christensen: I think that is a perfect place to start. A will is a legal contract that takes effect when the individual who created the will passes away. It has nothing to do with helping them during their lifetime. It sets out to whomever is named as the executor or the personal representative how they want their net estate to be distributed – to individuals, to organizations, or to a combination thereof.

A trust is something that you can create during your lifetime, which is a living trust. You can also create a trust in your will, which is called a testamentary trust. The living trust created during your lifetime is typically what is called a 'revocable trust' meaning that the grantor (the individual who created the document) can make changes if he or she is competent and alive.

If and when the individual becomes medically declared unable to manage their affairs, then that trust automatically becomes irrevocable. There are some exceptions, but as a general rule, this is the process. 'Irrevocable' means that the next trustee in line cannot change how the assets are distributed either during the remaining life of the grantor or at their death. So, it makes sure that the grantor's wishes are never changed, which is important.

Lynn: When you say the 'other trustee', is that when you set up the living trust and name someone as the beneficiary or the trustee if something were to happen to you, is this the person who would take over?

Christensen: Yes, but beneficiary and trustee can be two different things.

When I set up the Ann Christensen Trust, I am called the 'Grantor'; the one

creating the trust. Most of the time, I name myself as 'Trustee'. The document will say that if I am unable to manage my affairs, or if I don't want to, then I name my husband, Jay Badger, to take over. If Jay Badger is unable to take over, then you name additional individuals or a financial institution to step in as the 'Trustee'.

White: Where does the 'durable power of attorney' or 'power of attorney' fit in here? Is that something that is in this 'mix' as well?

Christensen: It is not in the trust document, but it is a separate document that we should talk about, at least briefly. Would you like to talk about it now?

White: No, I don't want to take you off your point. You can continue.

Christensen: In addition to needing to name multiple trustees in the trust agreement, you also need to name the individual(s) or organization(s) that you want to have eventually get whatever is left at your death and after final expenses have been paid.

So, a beneficiary can be a trustee. I think there are some difficult issues that get presented with that scenario. But they typically are two separate entities or people.

A testamentary trust that comes at the time of my death would be included in my will. It will not have been done in a revocable trust during my lifetime. You need the same decisions about who will be my personal representative to manage my estate, wrap up the final bills, collect the assets, and distribute that trust according to the beneficiaries named in that document. That is an irrevocable document; that will never be able to be changed.

Lynn: The last one that you mentioned is a trust that falls under your will.

Christensen: Right, it's a testamentary trust.

If you think about it, it's called a 'testamentary trust' because it is included in your last will and testament.

Lynn: What types of assets would people put in a living trust? One of the questions that I have about this is you have personal assets, property, bank accounts, and then many people – especially nowadays – either work from home or they have their own businesses. When something happens to someone and that business gets dissolved, then are the assets from it something that should work into a trust?

I have many questions there.

Christensen: That's okay. Let's start at the top of the list: What can go into a trust? Let me back up a couple more steps: When you create a trust, you need to also retitle whatever assets you are putting under the umbrella of the trust.

If I have a brokerage account and it is in my name individually, I created a trust, and I want it to be under the umbrella of that trust document. I need to go back to the brokerage house and have them change it from 'Ann Christensen' to 'The Ann Christensen Revocable Trust, dated January 25, 2023'.

If you don't make that change in ownership, then at your death, the trust will be deemed to not own anything, and everything will go according to your will.

So, what can go into trusts? You can put brokerage accounts, investment accounts, book entry accounts through computer share where you have stock, privately held stock, and bank accounts of any kind.

White: Can you put intellectual property?

Christensen: Intellectual property can go in. From my experience, it's not in as much favor as it used to be, but it's a great way to shield it and keep it private if you keep it in the trust.

Things that you would not put in the trust, which I think are just as important as what you would put in the trust. You would not want to put a retirement or a tax-deferred account into the trust. If I have an IRA and I make the beneficiary my trust, there are some adverse tax consequences to doing it that way. The benefit of a tax-deferred account is that I can give that to a sibling and have it pay out incrementally over an actuarial timeframe. If the trust is the beneficiary,

it collapses that timeframe. You have to recognize all that income, and it creates an unnecessary tax situation.

White: Let me break it down a little bit simpler: A trust is designed to protect your assets against government seizure, tax liability, or a takeover from a third party, correct? Essentially, what is a trust designed to do in layman's terms?

Christensen: It is designed to do two things: A trust is designed where if you are incapacity or die, it is a private transaction that is only known to the people who step in as trustee as opposed to a will. When you die, at least in the state of New Mexico, my will is filed with the court; the inventory of my assets is filed with the court, and it becomes public record.

White: Is that right?

Christensen: Yes. I don't know if all states are that way.

White: That seems a little odd.

Christensen: It's odd, but it is the reality, and many people don't realize that. Some people don't care. For some people, privacy is not an issue. Most people with whom I work, privacy becomes extremely important. They don't want the neighbor down the street to know how much money they had. It's none of their business. So, that is the biggest benefit, in my mind, of a trust.

Then there are some additional irrevocable trusts where if you shift low-cost items and survive for three years from the time that you created the trust, that money is passed out of your estate. So, there are probably more benefits than not for most people to take the time and energy to do the trust during their life, so it's in place. Everybody is named who takes over for your finances and handling the distribution, and it's private.

Lynn: When you talk about some of the assets that you put into it such as stocks or bank accounts, what type of documentation is required? Ultimately, you are going to have to get that information to the various institutions so that they know. That way, should something happen to you, the beneficiary doesn't have to deal with courts and that nonsense, right?

Christensen: That is correct, and that is a great question. At the time that the trust document is created, there is typically a secondary document that is called a Certification of Trust (COT). That is a distilled version of the trust document that will tell the financial institutions who the grantor was, when it was dated, who the trustee is, what the tax ID number is, and what the powers of the trustee are. It excludes who the beneficiaries are.

You don't want to give that document to a bank that lists who you are benefitting at your death. At least I wouldn't give that information to a bank or a brokerage firm. It's none of their business.

So, the Certification of Trust takes out any of the beneficiary information and only gives the legal department of the financial institution proof that it's a valid trust document and the right people are coming to them to change the name on the account.

Sometimes you must be very forceful when you go to these financial institutions because they feel that they have a right to the entire document, but then you push them back. They don't need that.

Lynn: You said they do need to know who the trustees would be, right?

Christensen: Yes. If you are a bank and I go to you saying, "I want to put it into the Ann Christensen Trust, the bank wants some validation or confirmation that I have the right to do that as the trustee. So that Certificate of Trust has a paragraph that says, "Ann Christensen is the Trustee."

Lynn: So, they never need to know who the beneficiaries are because the trustee would always handle that.

Christensen: That's right. They are not responsible for doing anything other than getting the name changed and perhaps changing the taxpayer ID number.

White: You've heard the term 'trust fund baby'. That would assume you can set up a trust so that when a child turns a certain age, they start getting payments or something like that. Is that where a trust would be used over a will? It seems

to me that with a will, you make an announcement that you get \$1,000,000 and this person gets \$1,000,000 and everyone goes their own way. A trust seems like it's something that you can set more structure to where you can have regular payments and things like that. Is that accurate?

Christensen: That is accurate. Remember that a will only has an umbrella over assets owned at the time of death in the individual's name.

White: I didn't know that. That's an important distinction.

Christensen: It is an important distinction. I firmly believe that everybody should have a will and a financial and healthcare power of attorney. These are all documents that are created during your lifetime.

If you have a trust, you still need a will because 99% of us with trusts have a bank account in our name individually just to make things easy. Most of us have a car. I don't like putting cars in trusts because of potential lawsuits and things like that. What you can say in the will is, "Any assets that have been handled by my will when all of the estate administration is completed, it goes into the trust." So that allows the beneficiaries to be private, and it allows the trust to be that receptacle for both the trust-held assets and individually-held assets.

Lynn: That is so interesting. I didn't realize that.

White: That's 'really cool'! I didn't realize that either.

Christensen: If you think about the whole concept of pouring over, you are pouring individual assets into another vehicle.

Lynn: Do you recommend people work with an attorney or a consultant or someone such as yourself when they are planning this, or do you recommend any resources where people can find some good forms and guidance to work with?

Christensen: That is a good question. Let me pause for a moment to break down the different resources. I will say that on the internet you can find legal sites where you can get a will, a power of attorney, and a trust. I firmly believe –

and much of this is based on experience that I've had with improperly drafted wills – that it makes sense to spend money on a professional estate planning attorney who knows the laws of the state where you reside and can tailor that document to fit your needs.

I've seen too many LegalZoom-type things where they don't have all the 'bells and whistles' that would be put in by an attorney. I'm not an attorney, and I don't draft documents. What I do has proven to be extremely helpful, both within my client base and my family, and that I can sit down with the client before they go to an attorney, and I know the people who they need to name – multiple names for trustees. We can talk about the family dynamics, which can be hard for many people. There are plenty of very private and painful personal situations. So, I can help get it on the table and help them figure out what they want to do.

Just to give one example, if I may, there are many families where alcoholism is a problem. I find that it is still a very private matter; it's not talked about openly. There are situations where a couple may have two children. One is an alcoholic, and one is not. I think the social mores are that you have to leave everything equally to your children, but I have the conversation with people, "What if that alcoholic falls off the wagon? Do you want to protect that money in that event, or do you want to say that you will give it to your children 50/50, and if they choose to drink it, that is their issue?"

Those conversations are expensive to have with an attorney because they typically charge much more than a consultant would, like what I do. And attorneys aren't there as much for emotional support as some people need. That is what I have encountered; people want a trusted environment where they can say all the horrible things they don't want anybody to know, talk it through, and then figure out what they want to do so that when they go to an attorney, they have the majority of the information that the attorney needs to plug into the documents.

Lynn: Along those same lines, I have seen firsthand that it gets tricky with selecting an executor. Do you want it to be a friend or a family member? The dynamics with all of that can get problematic, too.

Christensen: It can. The other place where it becomes very clear that it's difficult is if we do a sidebar over to the powers of attorney. There are two powers of attorney – one for finance, which is a durable power of attorney, or a statutory attorney. The power of attorney for healthcare typically has spouses name one another, and then name children or siblings. But what I see is that it can be very difficult for a child who is going through the grieving process of getting ready to lose a parent to have to make decisions with a clear mind.

It can work, but families need to talk through it to make sure that the child understands what the parent wants done. That document codifies what the parent wants, which can be different from what the child wants because the child doesn't want to lose the parent. Does that make sense?

Lynn: Absolutely. Another thing I've seen firsthand is, as people get older, their parents sometimes don't want to talk about it; they don't want to plan; they don't want to think about a funeral; they don't want to think much about anything.

Maybe a child will bring it up to them and say, "Look, what are your desires? What do you want?"

Then when it happens, it is like a storm during an emotional state such as what you are talking about.

I was laughing with my parents recently because my mom is more detailed than me. That is where I get my organizational skills.

She literally has everything planned for after they go, all the way down to the cemetery, the headstones, and she was even writing up their obituaries.

I said, "You can't write your own obituary! That's crazy! I'm the writer in the family!" So, it is tricky business.

One of the questions that I have has to do with copies of documents: How many copies of these documents do you want to have? Whose hands should they be in?

Christensen: There can only be one original will. You can make multiple copies of it. A trust, very often, you may have two or three original documents, and then you can make copies of that if you desire.

Where to keep them is becoming a very interesting question. When I started out in the business in the mid 1970's, everybody had a safe deposit box because that is where they kept all their original important papers. Nowadays, with privacy issues and banks becoming stricter and stricter with who can be recognized on a bank account or a safe deposit box, it can be very cumbersome if the original will is put in a box in one name only. The bank will want to see the original will in order to know who the executor of the estate is. If it's in the box, what do I do?

I'm also not a fan of leaving original documents in a home unless you have a fireproof safe. If they get destroyed and you are at the point of being medically determined to be unable to manage your affairs, then there is no will. You die 'intestate' as they call it because there is no valid will. Then the courts get involved, and it's a mess.

Lynn: So, do you want the trustees to have a copy of it? Would that be advantageous?

Christensen: I think it would be. Very often, if you have both a will and a trust, the executor and the trustee tend to be the same person. So, they should definitely have both documents; they need to know who the beneficiaries are. A copy is fine, if somebody knows where the original is.

Lynn: Let's say that five years go by, and you now have some additional land or assets that you want to add, is that an amendment or addendum to it? Do you have to resubmit that?

Christensen: No. When you do a trust, you don't have to do an inventory of the assets that are being transferred into the name of the trust. Part of the evolution is that as people age and typically add assets, they don't have to go back and get the trust document updated; they just need to make sure that when they add a second parcel of property for a vacation home, they title it in the name of the trust.

Lynn: I don't remember if we addressed this or not, but I want to quickly go to businesses.

Christensen: We have not gotten there yet.

Lynn: I see many businesses, whether it's an LLC or a corporation, where they will set up a trust and put the company under the trust.

Christensen: I must be very honest: I don't know that much about the benefits and the pros and cons of doing business through a trust. My understanding is that is usually done through a document that created the business. I don't want to opine on it because I just don't have the right information.

White: Before we leave the trust, I have one more question: There are many ranchers and farmers here in Montana. You hear horror stories about a farmer who passes away. They will their farm to their children, and the taxes are so much that they have to sell the farm, and the family farm that has been there for generations, goes away because they can't handle the burden of that.

Is there any way they can protect themselves from that situation? I know it's a tax situation, but would a trust protect that? Is there anything that a farmer or rancher can do while they are living to prevent that from happening and having their farm absorbed by the IRS?

Christensen: That scenario can play out under a trust or in a regular will. When the person dies, that asset must be looked at its value for tax purposes. My recommendation is that when you add something like a ranch or have predominantly real estate assets that may not be generating a large income stream into a trust or a will, you also need to make sure that you have cash assets in it, such as a brokerage account or a bank account or CD's or treasury bills, so there are assets available to cover any taxes owed, which would minimize the possibility that they would have to put it up for sale to pay taxes.

White: You mitigate that risk in advance and have assets available, so in case that scenario comes up, you have a bit of a cushion.

Christensen: Correct.

White: Thank you.

Lynn: One of the things I recently learned about from an attorney is a POD, or 'paid on death'. It's a simple form that you can submit to your bank on your personal accounts listing a beneficiary in case something happens to you. It's something quick and simple to do, and I'm wondering what you might know about that.

They said that I can't use it on a business account – only personal accounts. Are there other types of documents like that that I'm not aware of? Are there other types of documents for protecting your assets?

Christensen: I think where I am stumbling is that I would not say that POD protects your assets; what POD or TOD (payable on death or transferrable on death) does is it allows for a quicker transfer of that asset from the owner to the beneficiary.

For example, I have a bank account in my name and I want the money to go to my husband. So, I would make him the POD on the bank account. My husband would only have to go into the bank with my death certificate, show it to the banker, and they would then see the PODs payable to him, and they would give him access to that money right away.

If you don't do the POD, then it can take a bit longer to get access to that money to the beneficiary just because of paperwork.

Lynn: In other words, if you have a trust, the trustee would deal with the bank. To get that money to the beneficiary, it could take a little longer.

Christensen: That is exactly right.

Lynn: So, it could be advantageous, especially if people are tight on money. If someone does pass and they need it for funeral planning, it's there.

Christensen: Right, or they may need it for living expenses.

I am a fan of both parties in a marriage having a bank account in their name, either jointly or at least in their name, and make sure there is always money there for precisely that reason. So if I die, my husband has access to money in the bank account in his name.

I will say that my caveat with the PODs is I've seen some people attach PODs to all their assets. So, you can do a transfer on death deed for real estate, and you can do PODs for bank accounts. But what you have to be careful of is, if there is going to be some sort of an estate, you need to provide the executor with a 'pot of money' to pay expenses.

I have been in a situation where that happened, and I needed to open a probate estate, and had to front my own money. So, it may not be right for the client, but you have to take into consideration the person who you are putting in the position of having the legal responsibility to collect any other assets and file final tax returns and pay final bills. If you've given all your money away through a POD, that person has nothing to do but use their own money or say, "Hey, there is no money."

White: I imagine that, like all other legal documents, you probably have to be 18 to engage in a legal document. Is there anything that parents can do for their children preliminarily for that, or do they have to wait until they are 18 to get a trust and a will? Is there anything that parents can do with their children beforehand to protect them?

I know that children typically don't have a large amount of assets, so maybe it's not necessary, but at what age should you have your children start thinking about those kinds of things? Eighteen is probably a little young; I don't know.

Christensen: Eighteen for most of us is young. Trust fund babies who may have been given a trust account or a 'pot of money' when they turn 18, they should get to an estate-planning attorney and have a document done.

It's kind of gallows humor, but in the business, it's like you want to make sure that you get your estate planning documents done before you're declared

incompetent. That's how we joke; we don't know when that's going to happen.

White: You should see some of my mail. People think I'm that already, but that's another story.

Lynn: They would like to make all of us incompetent right now.

White: Indeed!

Christensen: Parents can set up custodial accounts for their minor children. You can do that at a bank, and I believe, usually, when the child reaches whatever the majority is in that state, then that money is theirs.

Typically, people start to do wills and trusts when they have a job, and start to accumulate retirement or tax-deferred accounts. Maybe they acquire a condo or something similar. They start a will and trust when they have assets that should be protected.

It's tough because 18-year-olds and 25-year-olds and even 55-year-olds aren't necessarily focused on what kinds of legal documents they need to protect themselves. But I do think that parents can do their children a big favor just by sitting down and talking to them. "Hey, this is what you need to do at some point in your life. These are the reasons why. This is what you do."

White: As far as financial instruments go, I'm sure that life insurance has to fit into that somewhere. We talked before about having some funds available so you don't have to sell the ranch. If you had a life insurance policy in place, that would offset many of those costs. Is that something that you put in the matrix of your planning? Can you comment on that?

Christensen: Yes, you can do that. In that case you can name the trust – or the estate if you don't have a trust – as the beneficiary so that it goes right to the estate. You can name children and have the money pay out at your death right to them if you want them to have some money available. Life insurance is a great one.

Lynn: I have a question on something that you already covered, but I would

like to get clarity. Let's assume you have a living trust and something happens to you and you become physically disabled and can't work or you need help and want your beneficiary to have access to certain things, but you haven't technically died. Does that fall into this at all?

Christensen: That's one of the benefits of a trust. I.e., the trust allows for a smoother transition from me under my trust to me when I become incapacitated. In this case, the successor trustee who steps in can then continue to use the trust funds for my benefit. If my trust document allows it, they can also take funds for a beneficiary while I am alive. The document can be structured to say, "While Ann is incapacitated, all her bills are to be covered. If her son is in school, money can also be used to cover her son's college tuition or graduate work and medical expenses."

There has to be a provision within the trust document that gives the successor trustee the ability to do that.

Along those lines, are annual gifting to charities. That is important to many people. The same thing can be done in the trust document. In the trust document, it can say, "Even when Ann is incapacitated, you may use funds to continue her pattern of gifting that she has done over the years." So that can be gifting to charities, and it can also be the annual exemption gift where somebody can give \$16,000 a year to somebody else without any tax consequences.

Lynn: Is it really \$16,000?

Christensen: It was last year. I haven't checked to see what it is this year.

Lynn: I remember years ago talking about this, and I always thought it was that parents could gift their children up to \$10,000 a year. You are saying that it is \$16,000 now, and it doesn't even have to be the children; it can be gifting to anybody?

Christensen: Yes, it can be gifted to anybody.

Lynn: How did I miss that one?

Christensen: There are many families who have the wealth to be able to do that. If that is cut off because of an incapacity, that can provide financial hardships for the people who have gotten used to having that additional money every year.

Lynn: The person who receives it doesn't have to pay taxes on it, correct?

Christensen: Correct, neither the person gifting it nor the person getting it have any tax consequences.

Lynn: One of the points you had mentioned earlier was that estate planning documents are not static; they need to be reviewed and updated as your life changes. Can you tell us a little more about that?

Christensen: Divorce is a good example. You created a joint trust while you were married, and you are now getting divorced. Those documents should be negated, and after the divorce is finalized, each person should create their own estate planning documents.

If you have a second marriage and you both have children from a previous marriage, you need to think about how you want the joint second marriage assets to be held and how you want them distributed at the death of each individual.

If a child develops some sort of medical illness where they can get SSI (social security insurance) because of a disability, you want to make sure that the trust document creates a separate trust to protect that child's portion of the inheritance so that they can continue to get the government benefit. If they get a large amount of money in their name, then the government disability goes away.

I always say that marriage, divorce, children, adoptions, additional children, or children passing away, or if how you want to leave your money changes, these are all good reasons to change or update your trust.

Some people with whom I work feel that at some point, they've given their children enough money and their children are self-supporting and have good

jobs. The grantors now want to leave everything to charity. That all must be incorporated into an amendment to the trust.

Lynn: So as far as the financial and healthcare powers of attorney, unless you needed to change who you want that to be, those are documents that can remain once you get them in place, correct?

Christensen: Correct. My caveat to that would be that you need to make sure that you name two to three individuals to be your 'agents'. They are the agents that act under those documents. Agent one and two could have died, moved, retired, or not want that job.

If you have enough people that the odds are quite good that somebody will be able to take over, then it would not have to be done again.

If you move to different states, you need to talk to an attorney because some states have very specific language that they want to see in these documents and others don't. It never hurts when you establish residency somewhere else to show a local attorney what you have and let them decide if it needs to be updated.

Lynn: That is a good point.

Christensen: Jim, you are the one who asked about a durable power of attorney and a statutory power of attorney.

White: Yes, you are correct.

Christensen: Both of those are financial. Durable powers of attorney allow when a person becomes incapacitated that a power of attorney is still a valid document. There was a time when somebody became incapacitated, the power of attorney could be questioned. It just means that it goes for the rest of their life.

One of the things that people don't always remember is that powers of attorney die with you. So at your death, the healthcare and financial power of attorney are no longer valid documents. At that point, either the will takes over, or the

trustee takes over.

White: This is a very interesting interview.

Everybody has different levels of finances, and everybody has different budgets. There will be some upfront costs to get these documents put together properly, whether they are filed or renewed.

How much would it cost someone to get started if they were just starting out on a shoestring budget, and which should you do first? What would be the most important thing to do first, and how much money would it be?

If you have a trust and a will, is it a couple of thousand dollars or many thousands of dollars? How does that usually 'shake out'?

Christensen: This is always tough. If they only do a will, I can only speak about in the Santa Fe area. You can find an attorney who will do a simple will for you, and maybe a power of attorney for about \$500 to \$700. If you add a trust to it, that is probably going to add another \$1,000 to \$2,000 only because it's a longer document to prepare.

Most towns and larger communities have legal aid. You can talk with that group of people and get some ideas. They may be able to recommend an attorney.

If you are accumulating assets, it is worth spending money on an attorney and maybe not going out to dinner two times a week just to get your documents done correctly.

White: If people want to go first class, how would they find out more about you and your organization? Do you take any outside clients, or is it almost all internal word of mouth?

Christensen: I don't have a website; all the referrals are word of mouth. I work with people globally. In today's world with Zoom and phone calls and things like that, it's easy for me to work with anybody anywhere. Does that answer your question?

White: Yes, I just want to help people find out more about you if you want people to contact you. I'm not doing this for clients, but if people want to know more, is there a way that they can get in touch with you and maybe even hire you? Is that something that you can do?

Christensen: I would certainly be willing to talk to people. If you give out my email address and phone number, that would be the best way for people to contact me.

Lynn: I would like to be first on the appointment book!

Christensen: I will say that for the first half hour, I do so at no charge just because half an hour should normally give me – and hopefully the prospect – the ability to see if it's a comfortable relationship. If I can't get comfortable with somebody or they can't get comfortable with me in 30 minutes, then it's not going to work well. It will be too hard to have the intimate conversations that you need to have.

White: And I'm assuming that everything that people tell you is under strict confidentiality.

Christensen: Absolutely. There is even confidentiality between spouses. Unless they give me permission to talk to one another, it is only with whomever signs the contract.

White: I definitely want your phone number then!

Christensen: One other thing is that you asked about resources. I don't have any ideas on places where you can go online to get any help. Much of what I see online is either so general that it's not very helpful, or it's so detailed that it's not very helpful.

I think that you could go to an attorney, or talk with financial advisors if you have a brokerage account. They tend to be very well-versed in much of this information, and they can at least help you know where to start. But I always ask people to think and look inside themselves to try to be able to put into words what they really want to have done with their assets, not what everybody else

says that you should do. You need to think about what is important in your heart, and that can be hard.

Lynn: I know that we talked about the gifting. I think that in all the things that we are covering, is there any other area where there is a tax benefit? We want to keep government and courts out of our personal business as much as possible, and I don't know if there is any of the things that we've talked about that might provide additional tax benefit.

Christensen: The idea of an irrevocable trust, where you fund it with assets and you live for more than three years from the date that the trust was funded, that shifts money out of your estate. So, for people of high net worth, that works well and gets it to the beneficiary in a trust instrument.

I think that if people have charitable inclinations, that is one way of reducing the size of their estate. There are charitable trusts where you can give a 'chunk' of money to a charity and they will pay you back on an annuity basis. Then after a period of years, the charity gets the 'pot of money'. That can all be set up through trust documents, and it takes the taxation out of it.

White: If you have art, you can donate that to a local museum for a period of time and get tax benefits from that. So, a financial advisor would probably be a good person to talk to because they would know all those legal angles. It's 100% legal to donate your art to the museum and do a write-off on it every year.

Christensen: I'm working with a very large estate in a trust right now, and they have a beautiful collection of Native American art, and that is what we are in the process of doing; we are contacting museums to make some type of arrangement before the people pass away so that they can continue to enjoy the art in their home, but it will go to the museums at their death.

White: That is fantastic! I don't know if we can fit much more of this great information into an hour. That was excellent!

Corey, is there anything else that you want to bring up or say before we start winding things down here?

Lynn: I think that we covered all my questions that I wrote down. I feel like this went so fast!

White: It did go fast. Ann, is there anything that we missed or anything that you can think of that we should have covered or perhaps a question that we didn't ask you which you thought we should have?

Christensen: I can't think of any specific question. The mantra in my mind is to look at what your documents say on a regular basis because things change. If you want to make sure that they are up to date, I would say to look at them once a year. If they are in great shape, fine.

White: Or if you made a large acquisition, if you bought a house within that year, you would want to look at it.

Christensen: It can't hurt.

Lynn: I thought of one question that could be very silly. Let's say that you do work with an attorney and they help you set up all the documents, and you now get them filed with the various institutions, and you've got your copies. Then suddenly, that attorney retires or passes away. Now the following year, you have something to update.

I know that their name goes on some of these documents, does it not?

Christensen: Correct.

Lynn: So, in handling something like that, now do you seek out a new attorney? Do you have to redo documents and get the new signatures? How does that work?

Christensen: You do not need to get new signatures. Until you need to have an attorney review them, you don't have to do anything.

My recommendation is, if you know that your attorney is either retiring or has passed away, if they are in a firm, go to their firm and see if there are other estate planning attorneys who could take over your file. If it was a solo

practitioner, then I would recommend you find another attorney just to connect and have a relationship.

The last thing you want to do when there is a fairly urgent need is to have to look for somebody to step in and help you out legally.

White: That is why you want to do your funeral planning before you pass away. They ‘hammer’ you if you wait. It’s like the airline; if you buy a flight ticket the same day, you will get ‘crushed’. If you do it three or four weeks beforehand, you are going to get a much better deal. It’s similar with that type of thing, is it not?

Christensen: That is exactly right.

We didn’t talk about cremation authorizations. In many states, if you want to be cremated, the best way of doing it is to have your attorney do a one-page document stating, “I wish to be cremated at my death.”

If you died in New Mexico and wanted to be cremated but didn’t have the document, without a cremation authority they would have to go to your children to get their permission to be cremated. That can be a rather tough thing emotionally. So, look to see what your state’s laws are on that.

Lynn: What if you didn’t have children? Then what happens?

Christensen: Then they go to siblings. If there aren’t any children or siblings, then they go to the executor.

Lynn: The bottom line is that if you want to be cremated, have that document in place.

Christensen: The more you can do when it’s under your control, the better and easier it will be for your heirs. It will be done the way you want it, and they won’t be left with as many messes.

White: That’s right. You must analyze your relationship with your heirs and decide what you want them to be saddled with.

Christensen: That's right!

White: 'Great stuff! Ann Christensen, what a sharp mind you have! You have a wealth of information, and we really appreciate you imparting some of that wisdom on us here today.

Christensen: I hope it helped.

White: I think this is great.

Lynn: This is a big help. Thank you so much.

Christensen: You are welcome!

White: This is going to be the conclusion of another *Solution Series* episode. If you are catching this as a clip or reading this, go to *Solari.com* or *CoreysDigs.com* and click on the banner there for the *Solution Series*. You can join all the great guests that we've had and all the great information. We will be delighted to have you.

Is there anything else that you need to cover before we close out the show?

Christensen: Thank you for the opportunity. I appreciate it.

Lynn: Thank you for being here. This was fantastic!

White: We are going to end the broadcast. I want to say thank you to my guest, Ann Christensen, and of course my cohost, as always, Corey Lynn. Please check out what is happening at the *Solution Series* at *CoreysDigs.com* or *Solari.com*. Until next time, this is James White for the *Solution Series* saying goodbye for now.

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