

JUNE 2025

Piece Of Mind

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we are giving you our piece of mind.*

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Can You Trust What You Know About Trusts? Take the Estate Planning Lie Detector Test and Find Out!

Estate planning can be complex, and misconceptions are common. To help clarify what's true and what's not, we've prepared 23 True-or-False statements. Take a few minutes to go through them — no rush. Then turn to Page 2 for explanations and answers that may surprise you.

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| 1. A traditional "AB" Trust will always save you taxes. | T F |
| 2. A Trust portfolio should always include a springing financial Power of Attorney. | T F |
| 3. Your Trust, Financial Power of Attorney, and Advance Health Care Directive should all include a HIPAA authorization. | T F |
| 4. Your Trust portfolio should include a pour-over Will, specifically indicating where you want your estate to go. | T F |
| 5. Trusts must terminate at the death of the creator. | T F |
| 6. All Trusts avoid the probate tax. | T F |
| 7. Community property Trusts always provide for the financial needs of the surviving spouse without any restrictions. | T F |
| 8. All Trusts avoid probate. | T F |
| 9. Not having a Will causes probate. | T F |
| 10. The surviving spouse can always wait until after the first spouse's death to determine which tax (estate tax or capital gains tax) they want to avoid. | T F |
| 11. There is no such thing as an "accidental" marriage. | T F |
| 12. All hospitals can access your Advance Health Care Directives and HIPAA medical release forms online. | T F |

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| 13. All Trust portfolios provide for Disability planning, Tax Reduction, and keeping the Estate in the family for generations. | T F |
| 14. A Power of Attorney is one of the most useful estate planning documents in the portfolio after a parent's death. | T F |
| 15. In addition to an "Advanced Health Care Directive," you should sign a Physician's Order for Life Sustaining Treatment (POLST). | T F |
| 16. An inheritance distributed to a son or daughter remains their separate property regardless of marital status. | T F |
| 17. Your Trust should own all assets, including your retirement account, or at least designate your Trust as the beneficiary of the Retirement Account. | T F |
| 18. Adding a son or daughter in their capacity as individuals to your checking account to help pay your bills is a good idea. | T F |
| 19. The alternate trustee can assist the current trustee in the event of a temporary emergency. | T F |
| 20. Real property can always be transferred to a child of the owner without triggering property tax reassessment. | T F |
| 21. Once a Trust is signed, the laws supporting its features are "grandfathered." | T F |
| 22. If the Trust is drafted correctly, all the trustee has to do is follow the terms as outlined in the Trust. | T F |
| 23. Trust documents should be reviewed and potentially updated every five years. | T F |

Answers on Page 2 ...



1. A traditional "AB" Trust will always save you taxes.

False. In fact, in many situations, the "AB" Trust triggers higher taxes.

2. A Trust portfolio should always include a springing financial Power of Attorney.

False. A springing Power of Attorney creates a contingency that may be difficult or sometimes impossible to satisfy before the agent can act on behalf of the principal.

3. Your Trust, Financial Power of Attorney, and Advance Health Care Directive should all include a HIPAA authorization.

False. The HIPAA medical release form should not be included in any other document. It is a stand-alone document.

4. Your Trust portfolio should include a pour-over Will, specifically indicating where you want your estate to go.

False. The Trust is the vehicle that specifies where the registered assets are distributed. A mistake here can trigger probate and potentially litigation.

5. Trusts must terminate at the death of the creator.

False. A Trust can continue for several generations, providing the beneficiaries complete access but preventing predators and creditors from taking their inheritance.

6. All Trusts avoid the probate tax.

False. There is no such thing as a probate tax. Probate is a very expensive process of distributing one's estate through the court system. Separately, the IRS can assess one or two taxes against your estate whether you go through probate or not.

7. Community property Trusts always provide for the financial needs of the surviving spouse without any restrictions.

False. Too often, unbeknownst to the husband or wife, there may be unintended restrictions preventing the surviving spouse from receiving full access to the Trust estate.

8. All Trusts avoid probate.

False. It is not the Trust that determines whether probate is avoided. The Trust can only transfer assets free of probate if the asset is owned by the Trust.

9. Not having a Will causes probate.

False. The need for the signature of a deceased person triggers probate.

10. The surviving spouse can always wait until after the first spouse's death to determine which tax (estate tax or capital gains tax) they want to avoid.

False. To accomplish this, special language needs to be included in the Trust and Will of the decedent ("the Capital Gain Election").

11. There is no such thing as an "accidental" marriage.

False. Accidental marriage is one of the greatest threats to a surviving spouse and can often leave the intended beneficiaries with little or nothing.

12. All hospitals can access your Advance Health Care Directives and HIPAA medical release forms online.

False. While it is a good idea, hospitals don't have access to these important documents. This is why we provide this type of access for all of our clients.

13. All Trust portfolios provide for Disability planning, Tax Reduction, and keeping the Estate in the family for generations.

False. The Life Plan does, most do not.

14. A Power of Attorney is one of the most useful estate planning documents in the portfolio after a parent's death.

False. All Powers of Attorney are invalid at the death of the person who signed it. The term "Durable" means they endure beyond incapacity, not death.

15. In addition to an "Advanced Health Care Directive," you should sign a Physician's Order for Life Sustaining Treatment (POLST).

False. Caution should be taken when signing a POLST form. Its terms are often inconsistent with the Advance Health Care Directive, creating confusion as to which document takes priority.

16. An inheritance distributed to a son or daughter remains their separate property regardless of marital status.

False. The inheritance often becomes co-mingled with the son or daughter's spouse.

17. Your Trust should own all assets, including your retirement account, or at least designate your Trust as the beneficiary of the Retirement Account.

False. Retirement accounts should never be transferred to a Living Trust. This will trigger immediate penalties and income taxes. Naming the Trust as a beneficiary of the Retirement account will dramatically reduce the withdrawal period for the beneficiaries causing their income taxes to be increase unnecessarily.

18. Adding a son or daughter in their capacity as individuals to your checking account to help pay your bills is a good idea.

False. Adding a child to your checking account in their capacity as trustee is a better idea. This will prevent exposure to the child's creditors.

19. The alternate trustee can assist the current trustee in the event of a temporary emergency.

False. The alternate trustee cannot assist the acting trustee until the acting trustee has been removed and the assets have been re-registered in the alternate trustee's name. This can take 30–45 days. The Silent Partner Co-Trustee Provision solves this problem.

20. Real property can always be transferred to a child of the owner without triggering property tax reassessment.

False. All property will be reassessed at the death of the owner. There are two exceptions, if the spouse is the beneficiary, there is no reassessment. Also, there is a limited exception for a personal residence, but only if the recipient is a child of the decedent and the child occupies the residence within one year. Even then, there are limitations to the value that can be transferred without a reassessment.

21. Once a Trust is signed, the laws supporting its features are "grandfathered."

False. Whether or not you are aware of changes in the law, such changes can quickly render the provisions in your Trust documents outdated.

22. If the Trust is drafted correctly, all the trustee has to do is follow the terms as outlined in the Trust.

False. The trustee is considered a "fiduciary" and, as such, must follow certain guidelines and statutes; many of which are not necessarily outlined in the Trust document.

23. Trust documents should be reviewed and potentially updated every five years.

False. Legal changes can occur yearly. Personal circumstances can change at any time. With changes happening so often, an annual review would be more appropriate.



Family Flexibility

Smart Scheduling for Better Health

Fulfilling life's many demands should never come at the expense of your family's health. If your household's daily grind consists of juggling multiple schedules and commitments with little room for relaxation, you're not alone. Here are two ideas to help your family slow things down and better ensure everyone's physical and mental well-being stays positive as the hours fly by.

A Schedule Overhaul

When work commitments, paying bills, coordinating transportation for your children's extracurricular activities, and other daily obligations lead to hurried and scattered interactions among family members, the American Heart Association recommends creating a new way forward. First, look closely at everyone's daily schedules over a week to see where gaps may exist and which activities could be scaled back to allow for more time spent together. You can start by choosing two 30-minute slots during the week and two hour-long slots on weekends to get everyone in one place. The goal is to have distraction-free time with your loved ones, so put away your computers and cell phones during these special moments.

Stress-Smart Strategies

Naturally, hectic schedules often lead to stress — not just for adults. In addition to providing children with all-important personal time with their parents and siblings, regular family activities can help parents better determine whether their kids feel undue pressure in any area of their lives. Although positive stress can help a young person rise to challenges — for example, studying for a big test or meeting the deadline for an important assignment — too much stress can hinder a child's coping skills and lead to anxiety and depression or physical symptoms such as headaches and stomach pains. Setting consistent daily routines — the same bedtime each night, for example, or regularly scheduling family time everyone looks forward to — will go a long way in helping them feel more in control of their days and encourage better communication with other family members.

Life is more than checking off items on our schedules. Any family can create a system that helps everyone feel happier and healthier in even the busiest times with only minor adjustments.

Sudoku

	8			4		7		
						9		
7				1	6	2		5
	9			3		7		6
6				4		9		8
	3			5	7	8		1
			4					
		8		3			2	

Solution on Pg. 4



SIMPLE SUMMER GARDEN PASTA

Inspired by *TheKitchn.com*

Ingredients

- 4 cups cherry tomatoes, halved
- 4 cloves garlic, minced
- 1/2 cup extra virgin olive oil
- 1 tsp red pepper flakes (optional, to taste)
- 1 tsp kosher salt
- 1/2 tsp black pepper
- 1 lb angel hair pasta
- 1 cup fresh basil
- 2 cups freshly grated Parmesan cheese
- Cooked, chopped chicken for serving (optional)

Directions

1. In a large bowl, combine tomatoes, garlic, olive oil, red pepper flakes, salt, and black pepper and toss until well coated.
2. Cover and let the mixture sit at room temperature while the pasta cooks.
3. Add pasta to a pot of boiling water and cook per package directions until al dente.
4. Drain the pasta, reserving 1/4 cup of the pasta water to add to the tomato mixture.
5. Coarsely chop the basil leaves.
6. Add the pasta, Parmesan cheese, and chopped basil to the tomato mixture and toss again until combined.

Serving suggestion: Add cooked, chopped chicken for more protein!

1	8	5	9	4	3	7	6	2
3	6	2	7	8	5	9	1	4
7	4	9	1	6	2	8	5	3
8	9	1	3	5	7	2	4	6
4	5	3	8	2	6	1	7	9
6	2	7	4	1	9	3	8	5
2	3	6	5	7	8	4	9	1
5	7	4	2	9	1	6	3	8
9	1	8	6	3	4	5	2	7

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The information provided in this newsletter does not, and is not intended to, constitute legal advice; instead, all content contained herein is for general informational purposes only.

WINTER DOWN UNDER SAVORING THE OFF-SEASON JOYS OF NEW ZEALAND

Few cultural celebrations capture a crowd's attention faster than an explosive rendition of a Māori war dance by a New Zealand sports team.

The world's growing fascination with Māori culture is one reason travel to New Zealand is soaring, boosting annual tourism spending by nearly 15% last year. While it's winter there now, the island nation still offers many off-season attractions for the savvy traveler — including the June 19–22 celebration of Matariki, the Māori New Year. Here are a few others.

Skiing and Snowboarding

June through October is peak season on New Zealand's world-class skiing and snowboarding hills. Book accommodations in popular winter sports areas on the South Island, such as Queenstown and Wanaka.

Warm up après-ski with a pint of one of New Zealand's famous craft beers. Hundreds of the nation's diverse brews will be displayed at Beervana, a popular two-day festival on Aug. 22–23 in Wellington.

Exploring Coastal Trails

Hiking through New Zealand's stunning coastline and ancient forests — or tramping, as the locals

call it — is a major attraction. Many of New Zealand's Great Walks are on alpine or subalpine tracks and are impassable in winter. But the country's most popular Great Walk, the Abel Tasman Coast Track, extends 37 miles one way across warmer terrain, past golden beaches and lush native vegetation. This trek offers ample opportunity to enjoy some of the many exotic birds of New Zealand, home to more avian species than any other country in the world.

Nature Shows

Nearly half of the world's whale species are in New Zealand's vast marine territory. Giant sperm whales can be seen year-round, and humpback and southern right whales are visible from shore from May through September.

If you're a fan of nighttime lights, stargazing at such celebrated dark-sky sites as Great Barrier Island and Mackenzie Region on South Island will amaze you. And for a different kind of evening light, try touring New Zealand's caves or grottos for a glimpse of exotic glow worms, a native insect that glows blue-green in the dark!

