

Estate Report
July 2023

Rick Dinger & Ana Dinger

wealth.com

Estate Report

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Rick Dinger & Ana Dinger

Joint Revocable Trust and Pour-Over Wills

Rick Dinger and Ana Dinger Trust

Decision-Makers

The Role of the Trustee

You and your spouse are the initial trustees of the trust while both of you have capacity to manage your affairs. If you chose to name additional co-trustees, those individuals will act alongside you both. The trustee holds legal title to the Trust's assets for the benefit of all Trust beneficiaries. If it is just you and your spouse, then while both of you are alive, you are both beneficiaries along with anyone to whom you want to gift your assets.

Practically, the role begins to matter most once the trustees are no longer managing their own affairs.

The Role of the Successor Trustee

The successor trustee steps into the trustees shoes once all initial co-trustees are either incapacitated or have passed away. The successor trustee must follow the instructions in the Trust and will coordinate with the executors to manage the estate, pay expenses (e.g., funeral expenses) and debts, and distribute assets to beneficiaries.

The successor trustee should have a strong sense of responsibility, be a good communicator and responsive, and be good at managing financial affairs. People often choose the same set of people to act as successor trustee, executor, and agent in a power of attorney over financial matters.

The Role of the Backup Successor

The role of trustee can be a demanding role, so it is important to pick at least one person to serve as a backup.

Trustees



Initial Co-Trustees
Rick Dinger
Ana Dinger



Successor Co-Trustee
Jay Griffith



Successor Co-Trustee
Jeff Gorbach

Rick Dinger and Ana Dinger Trust

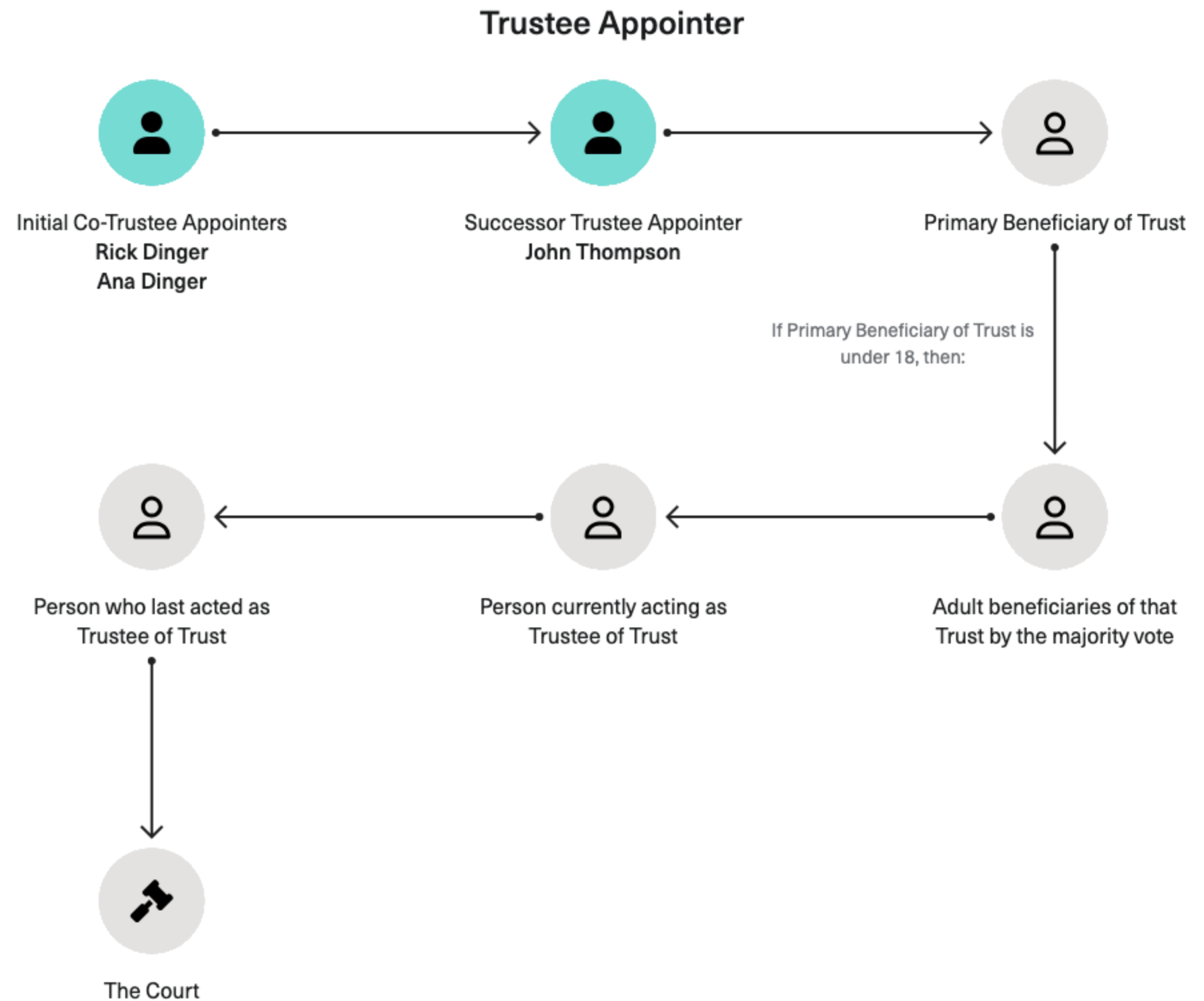
Trustee Appointer

The Role of the Trustee Appointer

The trustee appointer controls who serves as trustee. At any given time, this person can remove and replace any trustee who is currently serving (or a successor trustee who has not yet started serving). The trustee appointer can name new trustees (or name a co-trustee) and can change the order of succession for the trustees.

This is a fiduciary role (like a trustee or executor). This means that the trustee appointer must act in the best interest of all the beneficiaries of the trust (and not just in his, her or their own best interests).

In addition to those you specifically named as trustee appointer, your Trust includes some default trustee appointers. This is to avoid an appointment by the court, which can be expensive and time-consuming, during which time, your trust may not have a trustee at all.



Rick Dinger and Ana Dinger Trust

Decision-Makers

The Role of the Special Trustee

This person will have broad powers to decide what to do with your genetic material, except using it to create offspring. Ideally, the Special Trustee is familiar with your child-bearing and child-rearing decisions.

Did You Know?

There are currently over 1 million frozen embryos sitting in storage in the U.S. and the number of healthy women freezing eggs rose to 12,438 in 2020 from 7,193 in 2016 [Society for Assisted Reproductive Technology]

Special Trustee for Frozen Genetic Material

For Rick Dinger

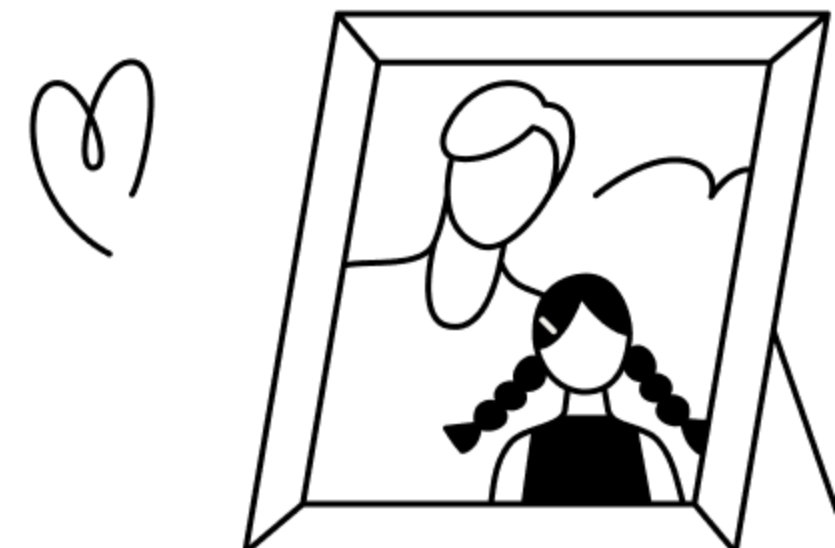


Special Trustee
Alex Wagner

For Ana Dinger



Special Trustee
No Contact



Pour-Over Will

Decision-Makers

The Role of the Executor

With a Trust-based estate plan, the role of executor becomes more limited. Because the main terms of your estate plan are in the Trust, which is administered by your trustee, the executor must coordinate with your trustee to manage your affairs. The executor has a legal duty to follow the instructions left in your will, to find and gather all your assets, including those you left in your own name at death, and to coordinate with the trustee to pay your expenses (e.g., funeral expenses) and debts and file your last tax returns.

Aligning the Trust and Pour-Over Will

Even with a Trust-based estate plan, you will need to have a Last Will & Testament and name at least one executor. This is because you may have assets in your own name at your death (as opposed to in the name of the trust), and those assets will need to be “poured” from your estate over to your Trust. For most situations, it is most common to simply name the same people to serve as both successor trustees and executors.

Executors

For Rick Dinger



Primary Executor
Neal Schoenbach

For Ana Dinger



Primary Executor
Silvia Lucin



Backup Executor
Jeff Gorbach



Backup Executor
Juri Marcelic

Pour-Over Will

Decision-Makers

The Role of the Guardian

A guardian takes custody of a child if neither parent is capable of taking care of the child. The guardian is responsible for the wellbeing of the child and has authority over any funds used to take care of the child. The guardian will receive those funds from the person who is managing your assets (for example, the trustee).

Guardians

Rick Dinger and Ana Dinger



Primary Guardian
John Thompson



Backup Guardian
Jeff Gorbach

Rick Dinger and Ana Dinger Trust

Decision-Makers

Did you Know?

Because pets are usually considered “property” themselves under the law, the pets themselves cannot receive assets. To set aside assets for your pets’ wellbeing, best practice is to make a one-time specific gift to the individual who will care for your pets.

Gift to the Caretaker

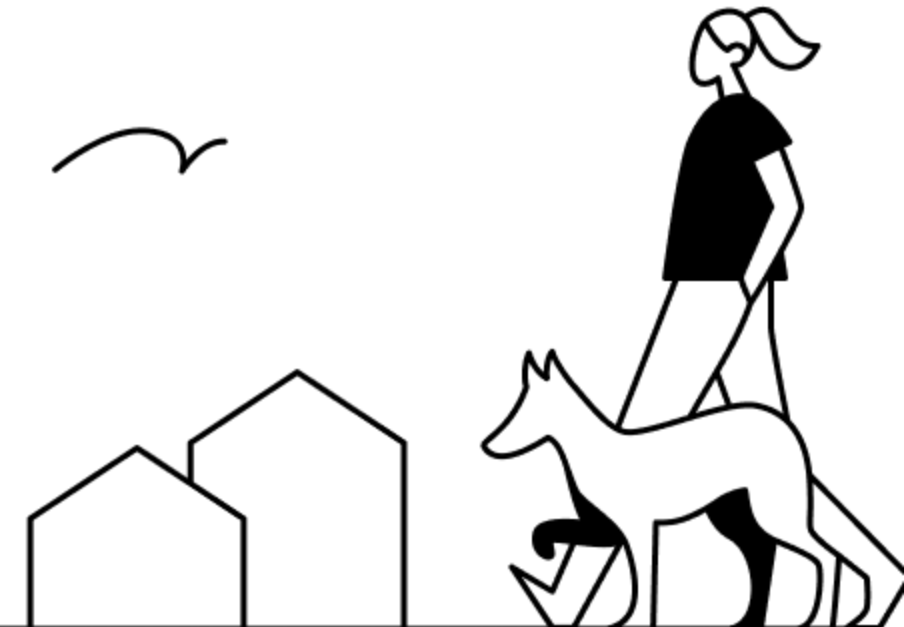
You have elected to gift \$10,000 to the caretaker for taking on the economic burden of providing care for your pets.

On average, Americans spend nearly \$1,500 per year on their pets between visits to the vet, pet food, and other expenses.

Pet Caretakers



Primary Caretaker
John Thompson



Rick Dinger and Ana Dinger Trust

Order Of Operations

During Your Life

Because you have a joint Trust and while you're alive, all of your assets should have been funded into the Trust whether they were separate or marital property (e.g. community property).

Defining Your Assets

At the first death (if you are the first person to pass away), your assets held in a joint Trust must be divided between what belongs to you and your spouse.

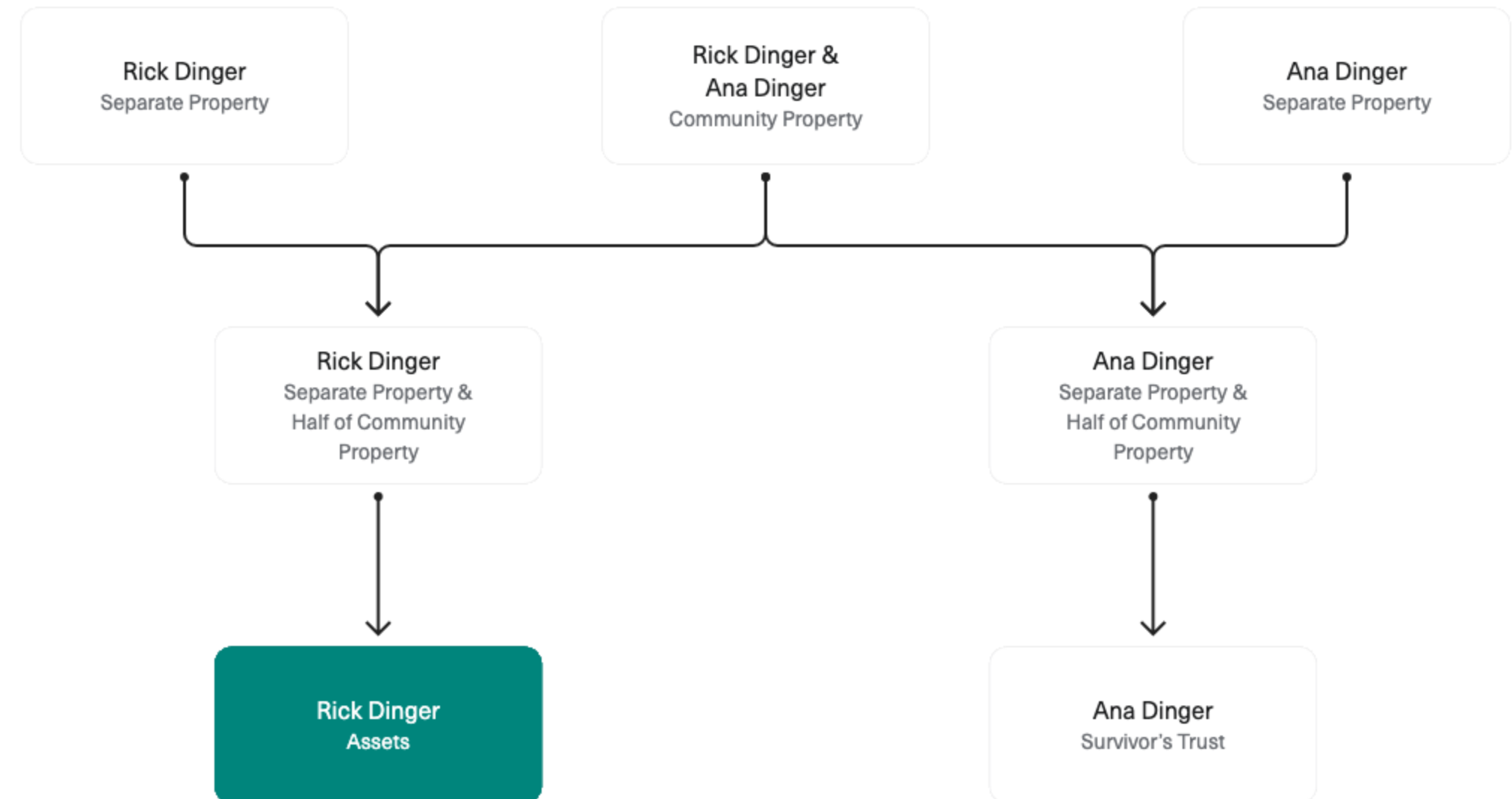
The Survivor's Trust

What belongs to the survivor ends up in a Survivor's Trust, which is a continuation of this estate plan. So, the survivor doesn't need to make any further updates at that time.

The rest of the report describes what happens to the decedent's assets.

Defining Your Assets

Scenario: Rick Dinger is the first to pass away



Order Of Operations

Non-Probate vs. Probate Assets

At your death, your assets may either be distributed automatically to your beneficiaries ("non-probate assets") or be distributed through your Trust to your Trust beneficiaries ("probate assets" or "estate"). A cohesive estate plan takes into account both types of assets to ensure that the right beneficiaries receive the right amounts, and that there is sufficient cash to pay your final debts, expenses and taxes. The three main ways for an asset to avoid probate are explained in greater detail below.

Titling with Rights Upon Death

Your assets can be titled in different ways that have implications for distribution upon your death. Certain ownership types, like joint tenancy or "with right of survivorship" (WROS), have automatic transfer on death processes. Those designations decide who will receive the asset.

Beneficiary Designation

Some assets allow for a formal "beneficiary designation," "pay on death" (POD) or "transfer on death" (TOD). You likely completed a form associated with that asset in order to direct where your asset will go upon your death. Those designations decide who will receive the asset.

Contractual Rights

You may own certain assets through a Trust (i.e., funded into this Trust) or other entity, like an LLC. The Trust or entity's governing documents may have terms about where its assets will be distributed upon your death, in which case the assets are "non-probate assets." Without these specific terms, the assets will be "probate assets," which will pass through your pour-over Will into your Trust.

Distributing Non-Probate Assets

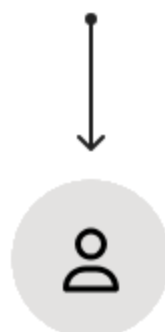
Rick Dinger
Assets

Probate Skipping Assets

These non-probate assets will transfer automatically to your designated beneficiaries upon your death outside of your estate plan documents.

Rights of Survivorship

e.g. bank account, real estate



Beneficiary Designation

e.g. retirement account,
insurance policy, vehicle



Contractual Rights

e.g. trust, partnerships



Probate Assets

These assets will transfer according to your Trust (after your Pour-Over Will transfers them to your Trust).

Rick Dinger
Estate (Probate Assets)

Rick Dinger and Ana Dinger Trust

Order Of Operations

The Order of Operations is Important

Once your non-probate assets have been distributed automatically by law, what remains of your assets (your "estate") will be distributed through your pour-over Will and ultimately your Trust.

Think of your estate as a corporation that has a mixture of equity and debt. If that company was to liquidate, there would be a hierarchy for who gets their money back first, second, third, and so on. For example, lenders that have loaned the company money will receive their money back sooner than investors who have invested dollars in the company in return for shares of stock.

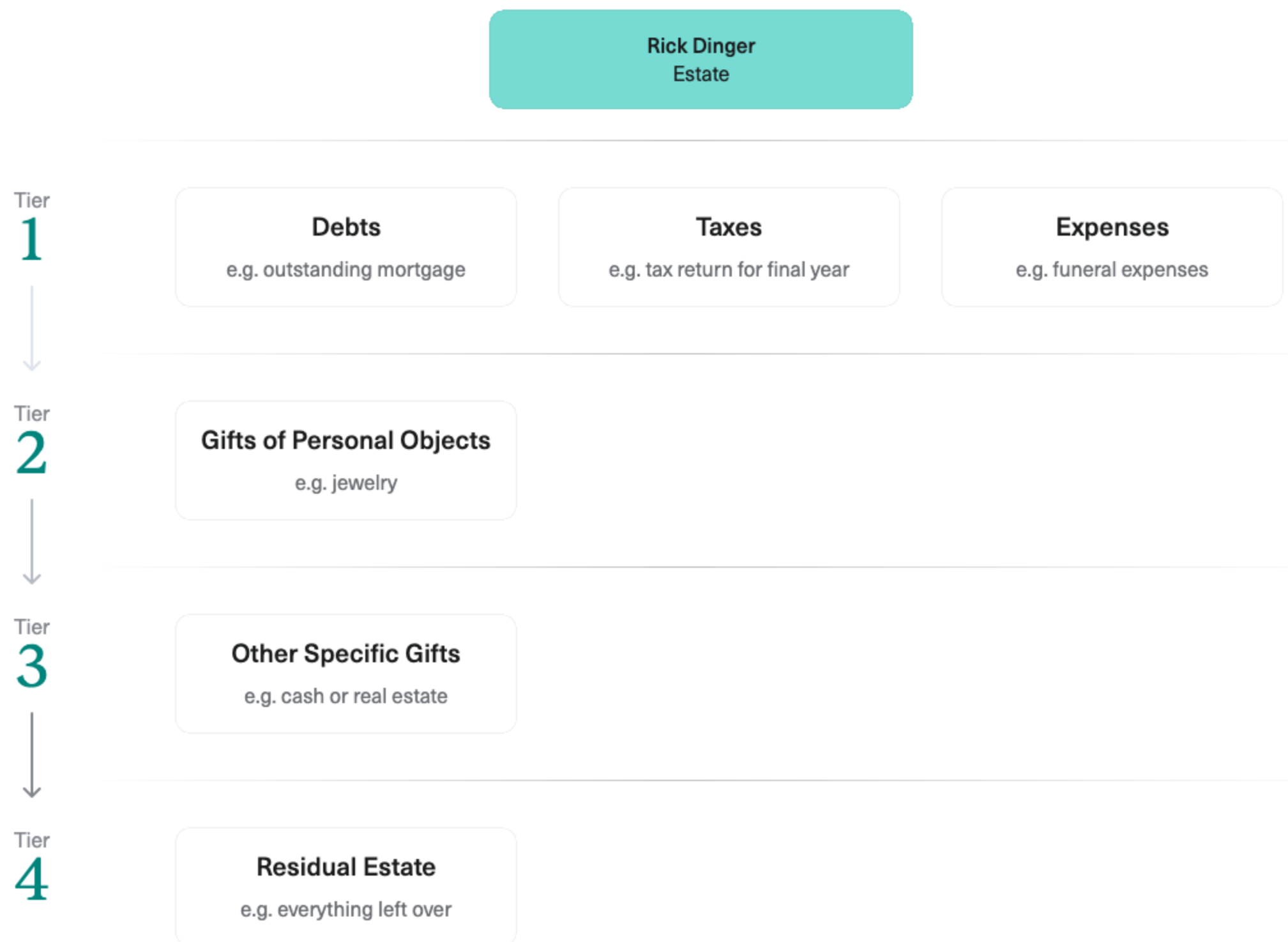
Your estate is similar in that debts, expenses and taxes will be paid before your beneficiaries can get their hands on their inheritance.

Specific Gifts vs. Residual Gifts

Among your chosen beneficiaries, the first to receive their inheritance are those to whom you made a specific gift of an asset. Gifts of personal objects (e.g., a ring or family heirloom) take precedence over gifts of cash amounts or real estate.

Once those specific gifts are made, the beneficiaries of your residual estate will receive their share of any assets that are left. It is possible to deplete your residual estate completely by making specific gifts of everything left in your estate after debts, expenses and taxes are paid.

Payments & Distributions Based On Your Trust



Rick Dinger and Ana Dinger Trust

Distribution Of Specific Gifts

What is a Specific Gift?

Specific gifts consist of fixed sums of discrete personal objects, cash or real estate that you would like to leave to individuals or charities (and donor-advised funds).

How Are Gifts of Personal Objects Made?

Your trustee will find, collect and secure the objects.

First, your trustee will distribute the personal objects that you have specifically gifted through your Trust. You must still own that specific personal object in order for the beneficiary to receive it. For example, if you listed the gift of a ring, but sell the ring during your life, your beneficiary will not receive a substitute gift.

These gifts will be made after you pass away, regardless of whether your spouse survives.

Second, those personal objects that you have not specifically gifted away will be distributed to the beneficiaries of your residual estate. If you have multiple beneficiaries, they will decide among themselves who gets what objects.

Lastly, if objects remain unclaimed, your trustee will sell or donate them, and any sale proceeds will become part of the residual estate.

Gifts of Personal Objects

From Rick Dinger



Cadillac Escalade
\$60,000



Neal Schoenbach
Other

Total Estimated Value of Gifts of Personal Objects
\$60,000

Rick Dinger and Ana Dinger Trust

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Gifts of Personal Objects

From Ana Dinger



Telluride
\$55,000



Izabella Kaylee Dinger
Child



9mm S&W
\$800



Chris Bourdon

Total Estimated Value of Gifts of Personal Objects

\$55,800

Rick Dinger and Ana Dinger Trust

Distribution Of Specific Gifts

What is a Specific Gift?

Specific gifts consist of fixed sums of discrete personal objects, cash or real estate that you would like to leave to individuals or charities (and donor-advised funds).

How Are Gifts of Cash and Real Estate Made?

Your trustee will have to fulfill these gifts with the assets available in the estate once both of you have passed away. For cash gifts, your trustee is directed to fulfill those gifts using available cash (e.g., in your bank account) or assets sold for cash. For real estate gifts, you must still own that specific real estate in order for the beneficiary to receive it.

These cash and real estate gifts will only be effective once you have both passed away. This means that if only one of you has passed away, cash and real estate gifts will not be made, whereas gifts of personal objects will be made after the first death.

If at your death, your trustee does not have enough assets on hand to satisfy all cash and real estate specific gifts, your trustee will reduce these specific gifts pro rata by value. In that case, your residuary beneficiaries will not receive any assets.

Other Specific Gifts

From Ana Dinger and Rick Dinger



Cash to Pet Caretaker
\$10,000



John Thompson

Total Estimated Value of Other Specific Gifts

\$10,000

Rick Dinger and Ana Dinger Trust

Distribution Of The Residual Estate

After You Pass Away (Your Spouse Survives)

Your residual estate was separated from your spouse's assets at your death. It consists of any remaining assets after your debts, expenses, and taxes are paid, and after any specific gifts of personal objects are made. If you pass away before your spouse, the entirety of the residual estate will pass to your spouse through the Survivor's Trust.

Survivor's Trust and Family Trust

The Survivor's Trust is a continuation of your revocable trust except that now that surviving spouse is the only trustee and the only primary beneficiary. The surviving spouse can fully amend and revoke that trust through their estate plan.

For tax reasons, your spouse may create and divert some (or all) of your residual estate to a tax-advantaged Family Trust. At your death, your spouse will decide whether to "disclaim" your assets to the Family Trust, which benefits your spouse (and any of your descendants).

After Your Spouse Passes Away

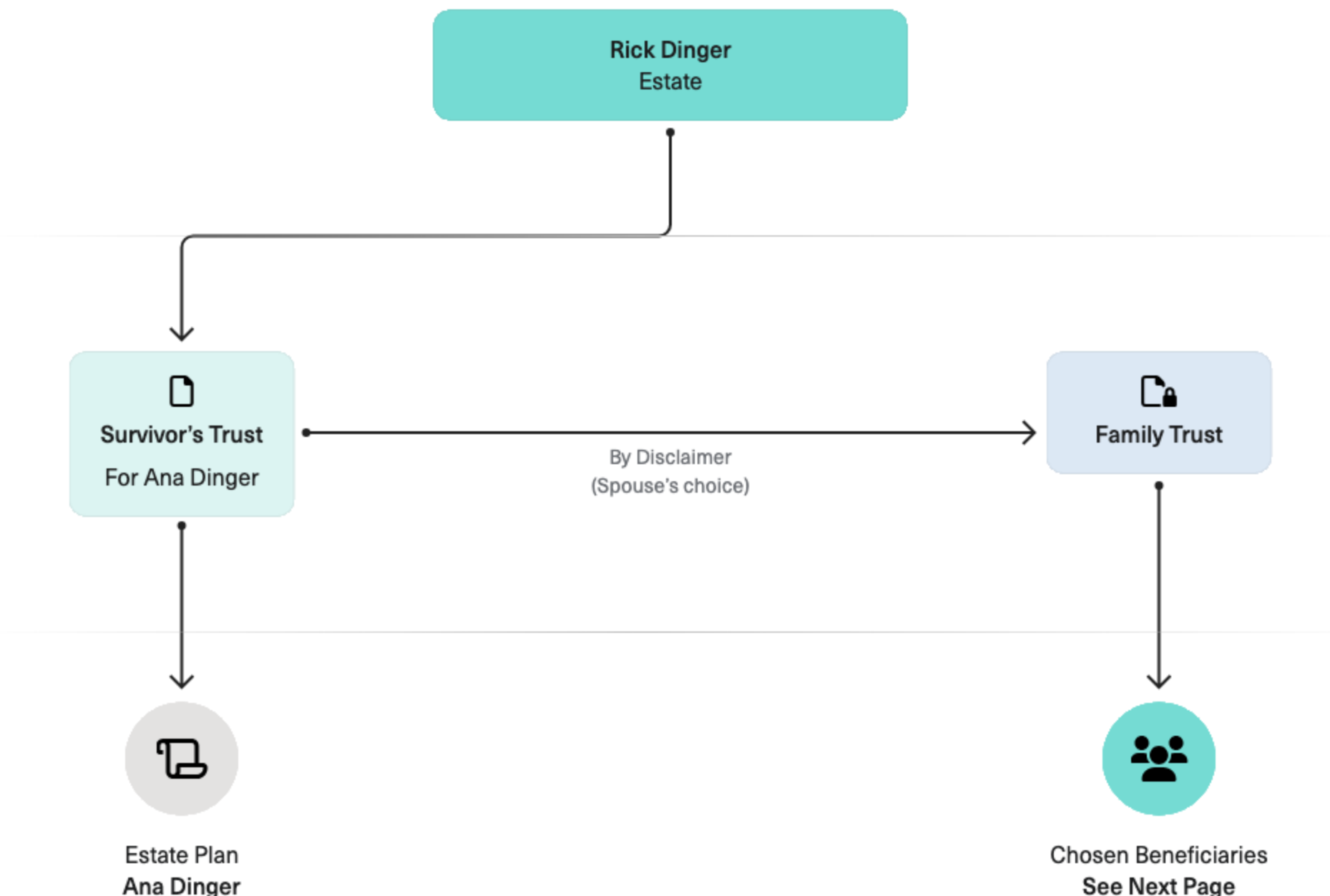
Your Trust does not guarantee that at your spouse's death, any remaining assets that were received from your estate will pass to your other chosen beneficiaries. Your spouse is able to change the survivor's trust through their own estate plan.

If your spouse created a Family Trust, that Trust will terminate at your spouse's death and any remaining assets must pass to your other chosen beneficiaries.

Scenario One

One Spouse Passes Away First

Assuming Rick Dinger is the first to pass away



Rick Dinger and Ana Dinger Trust

Distribution Of The Residual Estate

After Your Spouse Has Passed Away (or You Have Both Passed Away)

The Survivor's Trust, if unchanged by your spouse through their estate plan, holds your spouse's estate. This includes any of your assets inherited from you.

Your spouse's residual estate consists of any remaining assets after your spouse's debts, expenses, and taxes are paid, and after any specific gifts are made. You have chosen together to distribute the residual estate to a custom set of beneficiaries.

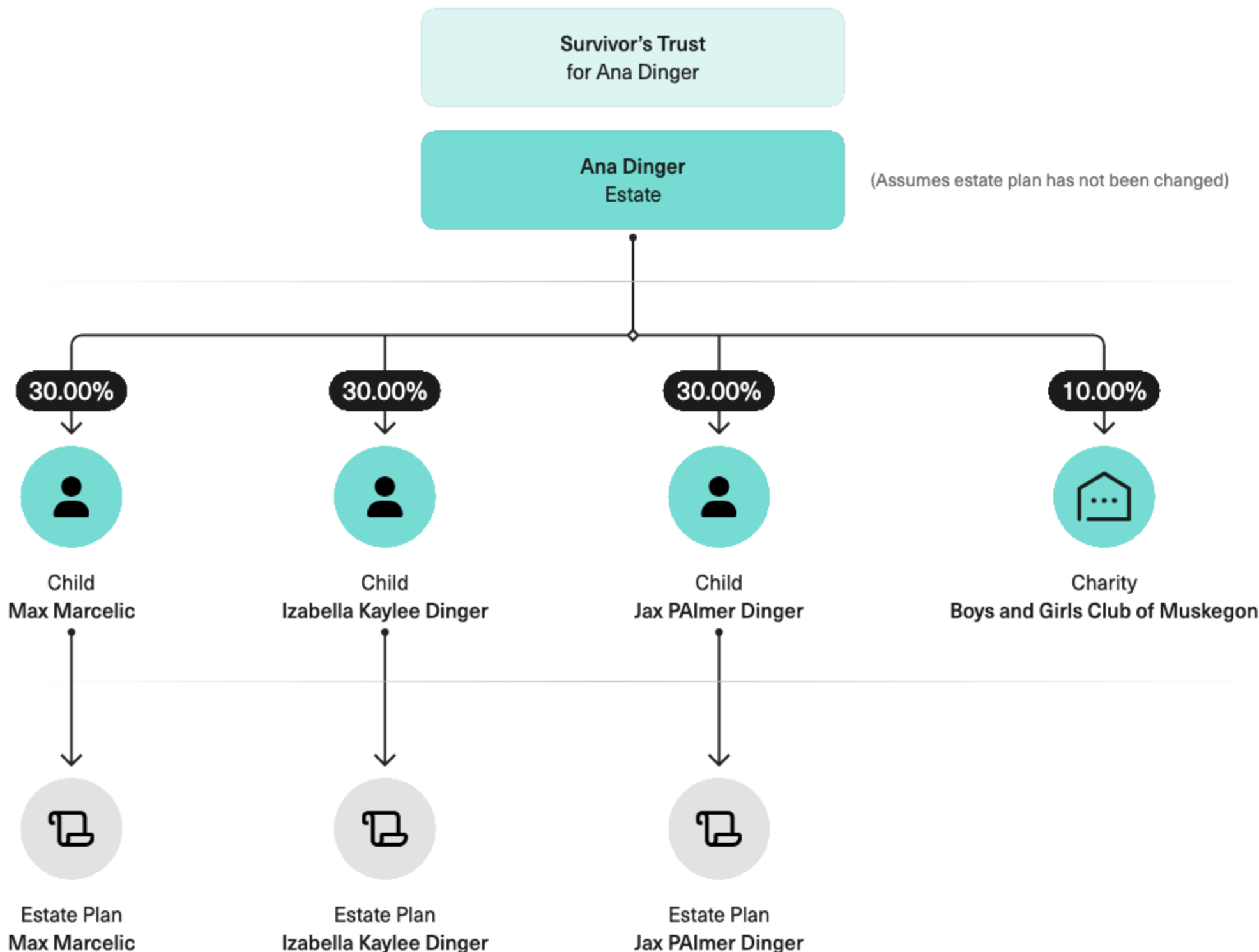
If Your Chosen Beneficiary Survives You

In order to own assets from your estate in their own name, your chosen beneficiary must be alive or maintained its tax exempt status when you pass away.

Once your chosen beneficiary passes away, what happens to your assets will depend on a few things. If any beneficiary receives your assets in their own name, that beneficiary is able to dispose of these assets as your beneficiary wishes; your estate plan does not guarantee that at this beneficiary's death, any remaining assets that were received from your estate will pass to your other chosen beneficiaries.

Scenario Two

Both Spouses Have Passed Away



Advance Health Care Directive

Rick Dinger

Advance Health Care Directive

Agents

The Role of the Agent

Your health care agent (also known as a “proxy,” “attorney-in-fact” or “patient advocate” in some states) is the person who has the legal authority to sign off on decisions related to your health care. For important medical decisions that would require your signature, your medical team will look to this person if you are unable to communicate or act yourself. This role can also extend to smaller, daily acts, like picking up prescriptions for you.

What Makes a Good Agent?

Ideally, your health care agent would have a strong sense of responsibility, be a good communicator and responsive, and know your wishes regarding your health and your body. This person should be able to communicate effectively with your medical team and your loved ones.

You do not have to choose the same person who would be in charge of your finances (such as your executor or agent in a financial power of attorney).

Agents

For Rick Dinger



Primary Agent
Ana Dinger



Backup Agent
Vicki Bourdon

Handling Of Remains

Disposition of Remains

It is important to note that your health care agent's legal authority may not extend to making these types of post-death arrangements. The advance health care directive just provides a place where you can leave guidance on this topic for your loved ones. We encourage you to discuss your wishes regarding these arrangements not only with your agent, but with your loved ones who will most likely be involved in making these decisions.

Handling of Remains

Rick Dinger

Cremated

Medical Considerations

Contacting Your Medical Team

Your agent or attending physician may wish to consult with your primary care physician. If you change who your primary care physician is in the future, you do not need to update your advance health care directive just to update this information. It may be helpful for your health care agent and attending physician to consult with the doctor who is most familiar with your medical history.

Primary Care Physician

For Rick Dinger



Physician
Alex Wagner

Financial Power of Attorney

Rick Dinger

Financial Power of Attorney

Agents

The Role of the Agent

Your agent has your permission to act on your behalf until you either revoke that right or die - including in the case that you become physically or mentally incapacitated. Their responsibilities are spelled out specifically in the Financial Power of Attorney document, and can often include the ability to:

- Sell or manage property and real estate
- Sign legal documents and checks
- Manage personal and business-related financial accounts
- Pay medical bills (but not make healthcare decisions)
- File taxes and settle claims on your behalf
- Hire professional assistance, such as a lawyer or advisor

What Makes a Good Agent?

First and foremost, the agent should be someone that you trust and that has good judgment. The agent should also have a strong sense of responsibility, be a good communicator and responsive, and be equipped at managing financial affairs.

For Rick Dinger

Agents



Primary Agent
Ana Dinger



Backup Agent
James A Dinger

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