

# ESTATE UPDATE

THE ESTATE PLANNING & LEGAL NEWSLETTER OF THE LAW OFFICE OF SJOSTROM, LOFTHUS & ROUSAR, PLLP

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## IS YOUR ESTATE PLAN COMPLETE?

Are all of the pieces of your Estate Plan in order?

Completion of your Estate Plan by signing your documents is often a significant event that has taken time and effort. However, the signing of your documents is not the final step in your Estate Plan. Your Plan includes additional components - **PEOPLE, PROPERTY, TITLING OF ASSETS** and **BENEFICIARIES**. Failure to consider these issues could prevent your Estate Plan from working as you intend.

**PEOPLE** – In your Will, Trust and other documents, you named certain persons, and successors, to act on your behalf (guardians, trustees, personal representatives & health care agents). Have you notified those persons of your wish that they serve? Do your health care agents have a copy of your Health Care Directive? Are the persons you have named in each document willing and capable of serving in the role you gave them? Over time, are you monitoring whether they are still capable of serving you and your Estate? As time passes from the signing of your Estate Plan, changes in the lives of the people you have named to serve may require a modification of your Plan.

**PROPERTY** – If you have a second home or cabin, particularly if it is in

another state, or if you have business assets (including income producing property), these assets may require additional or special consideration. Having key information about the management and care of these assets available for the persons named in your Estate Plan will be critical.

**TITLING OF ASSETS** – How your property is titled can be key to the effective working of your Estate Plan. For example, one advantage of a Revocable Trust is the avoidance of probate for your Estate. However, if your assets are not titled in the name of the Trust and they don't name a death beneficiary, those assets will not be exempt from probate proceedings. When you change your bank or stockbroker or when you buy property, if you fail to title the account or property in the name of your Trust, you may cause part of your Estate to end up in probate court.

**BENEFICIAIRES** - Please see the Estate Planning Tip on the next page of this newsletter for a summary of this issue.

We encourage you to think of your Estate Plan as a whole and not as merely a Will or Trust document. If you have questions or need further information, please give us a call.

## HOLIDAY GREETINGS AND THANKS TO YOU

As 2006 comes to an end, we pause and reflect on the clients and friends we have made. Although we have said these words before, the sentiment remains the same and is worth repeating every year. We are thankful to each of you for your business, support, referrals and friendship over the years.

We are also grateful for our able assistants, Dar Sjostrom and Mary Emery. Our office runs well because of their efforts and support.

We both continue to work primarily in Estate Planning, Probate & Trust administration, Real Estate and Small Business matters. In addition to our own areas of practice, we have a network of attorneys who practice in other areas of the law. With this network, we hope to be your resource for any legal issue. We look forward to continuing to serve you in the future.

**We wish you a very joyous  
Holiday Season and a happy  
and prosperous New Year.**

### ESTATE PLANNING IS:

**TAKING THE NECESSARY TIME TO PROTECT WHAT YOU HAVE SPENT YOUR ENTIRE LIFETIME CREATING.**

If you have a **WILL** and it has been more than three years since you have reviewed it, please contact our office for an **ESTATE REVIEW**, the first ½ hour is **FREE**.

If you have a **TRUST** and it has been more than one year since you have reviewed it, please contact our office for an **ESTATE REVIEW**, the first ½ hour is **FREE**.



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## **RETURN SERVICE REQUESTED**

### **LEGAL PLANNING TIPS: SMALL IDEAS WITH A BIG IMPACT**

**ESTATE PLANNING TIP: BENEFICIARY DESIGNATIONS** - Many of our clients have taken the time and energy to create a detailed Will or Trust to direct the distribution of their assets upon their death. However, those carefully laid plans may be unintentionally modified if you fail to properly update or align your beneficiary designations with the terms of your Will or Trust. These designations include [1] beneficiary designations on life insurance policies, retirement accounts & annuities; [2] payable on death (P.O.D.) designations on bank accounts; and [3] transfer on death (T.O.D.) designations on investment accounts. Since all of these designations take priority over your Will or Trust, we recommend that our clients regularly obtain written verification of the beneficiaries listed on their life insurance, retirement accounts, investment accounts, etc. so that your designations and your Will or Trust will be working together to fulfill your distribution desires.

**BUSINESS PLANNING TIP: BUSINESS VALUATIONS** - Many business owners have created business planning documents, such as buy-sell agreements, which envision a periodic valuation of the entire business for purposes of providing accurate and agreed upon purchase prices of business interests. Despite the requirement of revaluation, this step is often overlooked. For example, if a business owner dies and no valuation has occurred for years, a formal appraisal of the business will be required in order to buy-out the business owner's family. As this year comes to an end, it is a good time to determine if a revaluation of your business is necessary.

**PERSONAL PLANNING TIP: COMPUTER BACK UP-** If you have taken the step of "simplifying" your financial and personal records by putting much of your financial and personal information on your home computer, you are not alone. The ease of recalling that information with the click of a "mouse" may be wonderful, but you must back up this information to protect yourself if your computer is stolen or if it malfunctions. Backing up can be done by merely printing the information or by using a variety of computer back up devices (disks, memory drives, back up tapes, etc.). We have all heard of horror stories of people losing their computer data. Once you have backed up your information, continue backing up on a regular basis (e.g., monthly, quarterly, etc.). Just think of your frustration if you were to lose all of those digital pictures you have taken in the last few years.

**DISCLAIMER:** The contents of this newsletter are presented as general information and are not intended as legal advice to apply to any person or particular situation. Additionally, be mindful that the law is constantly changing and you should always inquire about the present state of the law in reference to all matters. If you have any questions concerning any matters covered in this newsletter, you should consult with an attorney for legal advice based on the individual circumstances of your situation.