

ParsecFinancial

# 2019 Estate Planning and Trustee Update

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# Disclosures

- This presentation offers general information and should not be acted upon without obtaining specific advice from a qualified professional. The information is not intended as investment, tax or legal advice, nor the solicitation for the purchase or sale of any security.

# 2019 Estate and Gift Tax Law

# 2019 Estate Tax Law

- “Portability” allows any unused exemption to transfer to the surviving spouse
- Assets at death will receive a “step-up” in cost basis
- If Congress does not act in time, the exemption reverts to its 2017 level of \$5.49 million after 2025

2019 estate tax exemption:

**\$11.4 million**  
(individual)

**\$22.8 million**  
(married)

# 2019 Gift Tax Law

- Unlimited gifts can be made directly to the provider for healthcare or education (tuition) expenses on behalf of another
- Annual gifts are not deductible for income tax
- A unique gifting opportunity is created with this exemption
- Gifts above the \$15,000 annual exclusion amount are subtracted from the individual's estate tax (gift tax) exemption of \$11.4 million

2019 annual gift tax exemption:

**\$15,000**  
(per recipient)

2019 generation skipping tax exemption:

**\$11.4 million**  
(individual)

**\$22.8 million**  
(married)

The background is a solid red color with several thick, white, curved lines that swirl around the center, creating a dynamic, abstract pattern.

# Key Estate Planning Documents

# There are Seven Key Estate Planning Documents:

1. General Durable Power of Attorney
2. Health Care Power of Attorney
3. Living Will
4. HIPPA Form
5. Guardianship Form (for those with minor children)
6. Will
7. Revocable Trust

# 1. General Durable Power of Attorney

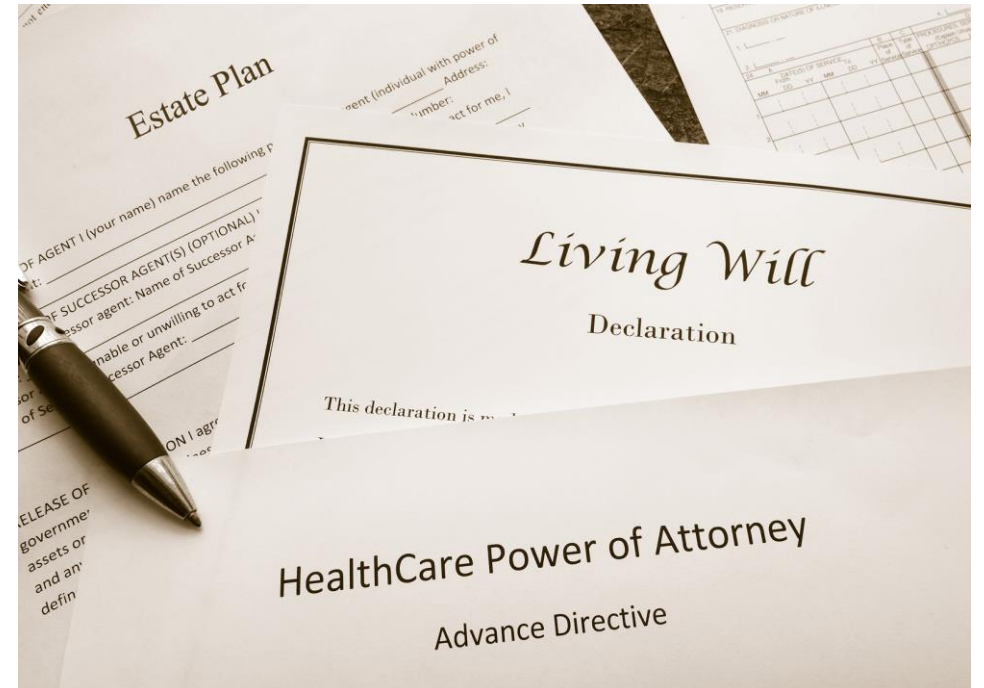
- Legal document allowing you to authorize someone else to act on your behalf for you during your lifetime
- Needed when, and if, you are incapable of making decisions for yourself
- “Attorney In Fact” can pay bills, sign legal documents, buy or sell assets, and perform acts on your behalf





## 2. Health Care Power of Attorney (HCPOA)

- Legal document designating someone to make medical decisions for you in the event you are unable to do so
- HCPOA only becomes effective when you are unable to make or communicate your own decisions
- Need a succession of at three agents ideally



## 3. Living Will



Legal document reflecting your stated wishes if you are in a terminal and incurable situation



Document provides a direction to your Health Care Power of Attorney and medical providers indicating your wishes for withholding artificial means and feeding and hydration if you are in a terminal and incurable state or persistent vegetative state

# 4. HIPPA Form

- Legal document naming those who are allowed access to your medical records and medical information

## HIPAA Release Form

Mail or fax completed forms to:

Address:

Fax:

Authorization to Release Protected Health Information			
Dependents must complete this form to authorize the release of protected health information to the account holder.			
Primary Account Holder Information			
Last Name	First Name	M.I.	
Street Address	City	State	ZIP
E-Mail Address (required)	Daytime Phone ( )	SSN or HealthEquity ID Number (6 or 7 digits)	
HIPAA Release (to be completed by dependent)			
<p>My protected health information is individually identifiable health information, including demographic information collected from me or created or received by a health care provider, a health plan, my employer, or a health care clearinghouse, and relates to: (i) my past, present, or future physical or mental health condition; (ii) the provision of the health care to me; or (iii) the past, present or future payment for the provision of health care to me.</p> <p>In accordance with the provisions of the Health Insurance Portability and Accountability Act (HIPAA), I, the undersigned, grant permission to HealthEquity, Inc. to disclose protected health information (as defined in HIPAA) to the following person or persons:</p> <p>Purpose of authorization: <input type="checkbox"/> At my request <input type="checkbox"/> Family member assisting with health care <input type="checkbox"/> Other: _____</p> <p>Any limitations that I impose on HealthEquity with respect to this authorization are declared below:</p> <p>_____</p> <p>_____</p> <p>This release will remain in effect until the closure of the health savings account (HSA), flexible spending account (FSA), or health reimbursement arrangement (HRA). In addition, I may revoke this Release at any time by notifying HealthEquity of the revocation in writing and faxed to 801.727.1005, Attn: Member Services.</p> <p>If at any time you need to alter this release form, please contact HealthEquity at 866.346.5800.</p>			
Authorization of HIPAA Release (to be completed by dependent)			
<p>I understand that by granting this Release, the person who obtains this information may disclose it to other individuals with or without my consent and in so doing, the information would no longer be protected under HIPAA. I understand that my authorizing the use and disclosure of my information is not a condition of enrollment in this health plan, eligibility for benefits or payment of claims.</p>			
Date	Dependent's Date of Birth (mm/dd/yyyy)	Date Authorization Effective Until (if no date is provided, authorization is valid until the preset time frame based on your state.)	
Dependent's Name (please print)		Dependent's Signature	
<p><b>Note:</b> If the person signing above is a personal representative of the named individual, attach copy of document granting authority to the personal representative.</p>			

## 5. Guardianship Form

- Legal document giving guardianship over minor children until the age of majority

**DECLARATION OF PARENTAGE/GUARDIANSHIP FORM**

**PERMANENT** Public Servants/Workers who are either Parents or Guardians of an Approved Loan Applicant(s) will now benefit from a reduction in the Students' Loan Bureau's interest charge and processing fee. Accessing this benefit will be contingent upon the proper completion of this form, its valid certification and subsequent return to the SLB.

\*\* This document is required in the absence of an Adoption Certificate/Legal Guardianship Document OR Birth Certificate of the approved loan applicant which excludes the father's name.

This form must be completed and signed by the authorized persons only.

I \_\_\_\_\_ hereby declare that I am the  
(Name)

Parent       Guardian       *\*(kindly indicate one of the options)*

of the loan applicant \_\_\_\_\_ with TRN \_\_\_\_\_  
Applicant/Beneficiary's Full Name      Applicant's TRN

who was born on the \_\_\_\_\_ in the parish of \_\_\_\_\_  
Date of birth of applicant (dd/mm/yyyy)

Declared by the said: \_\_\_\_\_  
(Name of Declarant)      Signature

\_\_\_\_\_ Address of Parent/Guardian

\_\_\_\_\_ TRN of Parent/Guardian

In the presence of \_\_\_\_\_  
Name of Justice of the Peace or Attorney-at-Law      Signature of J.P./Attorney-at-Law

Dated: \_\_\_\_\_  
dd/mm/yyyy

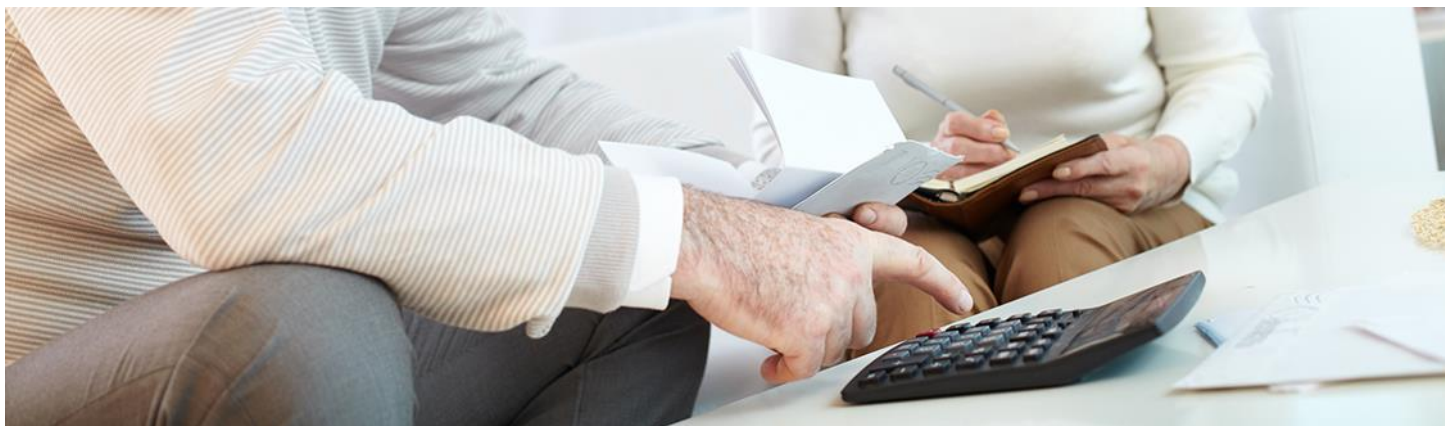
Please Affix Stamp/Seal Here

SLB's Declaration of Parentage/Guardianship Form - March 2015

## 6. Will

- Key legal document at death which distributes all assets titled in the name of the deceased to heirs
- Describes who receives assets and how
- Executor facilitates the distribution of assets through the Probate system
- Probate is the court administered process of settling the estate

**NOTE:** Assets passing by beneficiary designation (IRAs, Insurance Policies, Annuities), joint ownership, or transfer of death designations (TODs) DO NOT pass through a Will and therefore not governed by its terms.

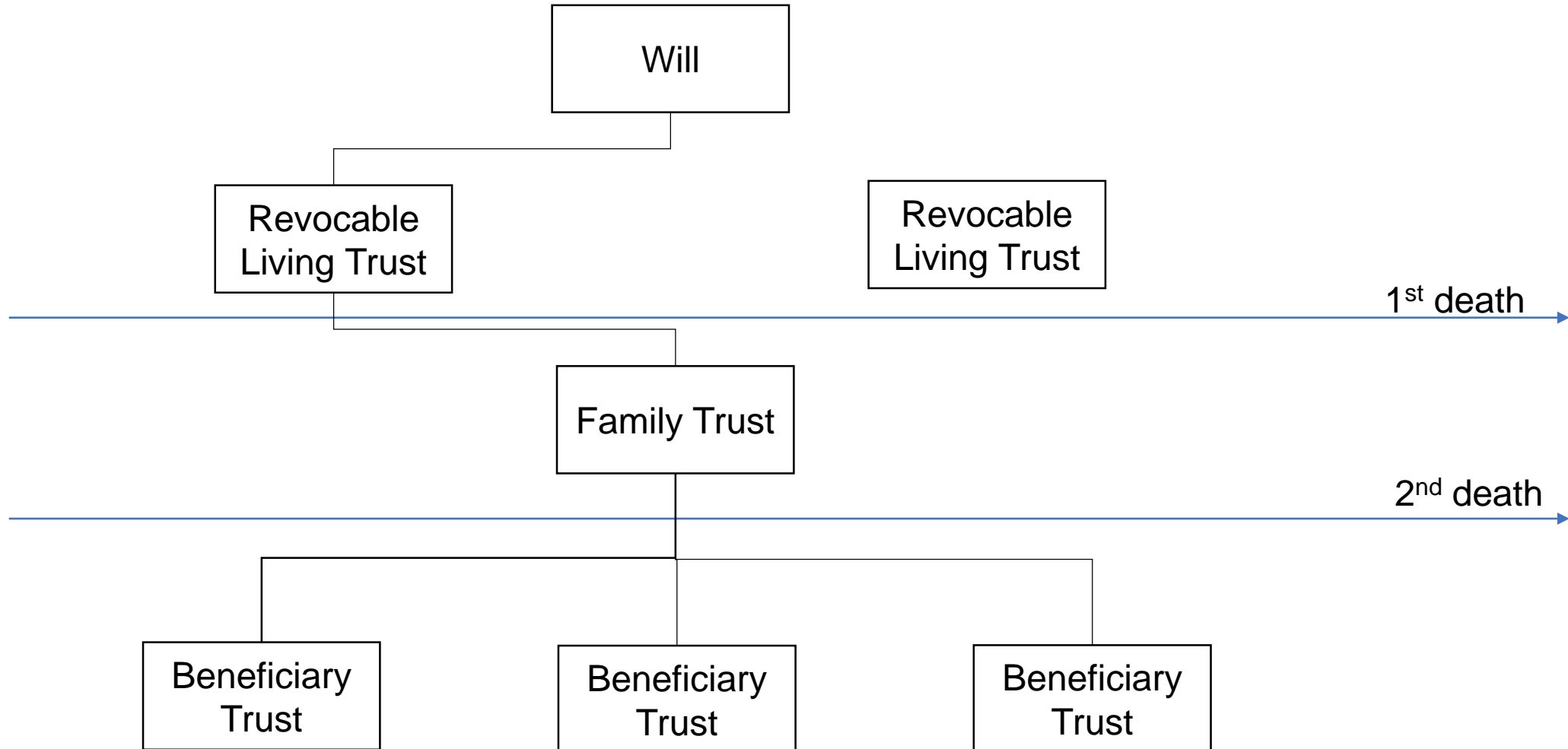


## 7. Revocable Trust

- Legal document that serves as a will substitute
- Revocable or changeable during the grantor's lifetime
- Grantor as initial Trustee
- Provides an entity to hold and manage assets during lifetime
- Provides for disability planning

**NOTE:** Successor Trustee, through the use of a trust for beneficiaries, can help provide structure when needed for providing for a spouse or second spouse, children with special needs, long term financial structure for heirs, marital protection, creditor protection, charitable planning, long term tax planning and strategy.

# Example of a Will Execution



# What You Need to Know About a Trusteeship:

- Beneficiaries of all types could benefit from having an advisor come alongside them to help them manage their inheritance
- A Trustee can provide control and management of assets in accordance with your written directives in the Trust
- Multi-generational tax benefits, asset protection, multi-generational financial planning



# What You Need to Know About a Trusteeship:

- Can be a succession of named individuals and/or a corporate Trustee
- Trustee as an independent third party to adhere to the grantor's directives for the beneficiary in providing income and principal as a way to supplement, but not supplant needs
- Trustee to provide protection of assets from creditors, divorce, addiction, spendthrifts and disabled beneficiaries

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