

# Welcome



**Wilson Law Group, LLC**  
*Your Life. Your Legacy. Your Way.™*

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## Trustee Training: The Administration Process

**Presented by**



**Wilson Law Group, LLC**  
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This is **YOUR** seminar...

Please send your questions to  
[mail@wilsonlawgroup.com](mailto:mail@wilsonlawgroup.com)



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### First Steps in the Event of a Death of a Trustmaker



- There is time to act
- Notify all advisors (legal, financial, insurance, tax)
- Locate and review estate planning documents
- Sign Successor Affidavit
- Obtain extra copy of Affidavit for management purposes



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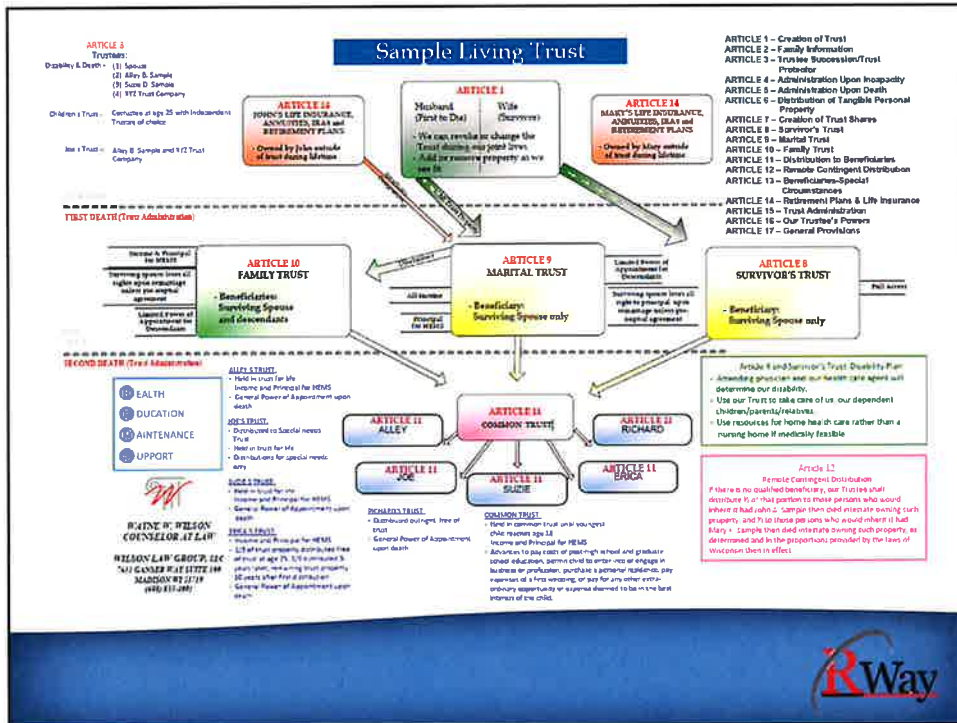
# Property Classification



- Wisconsin is a “marital property” state
- Marital Property = Property owned equally by both spouses regardless of title
- Individual Property = Property owned entirely by the titled owner
- Controlled by Marital Property Agreement



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## Valuations



- As of date of death
- Establishes tax basis
- Required for estate tax return
- Necessary for trust division



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## Valuations



- Cash and Bank Accounts
- Stocks (average high and low on date of death)
- Real Estate (appraisal or sale price)
- Personal Property (appraise if necessary)



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## Valuations



- Business interests (appraisal)
- Life Insurance (Form 712 from insurance company)
- Annuities and Retirement Accounts
- Debts



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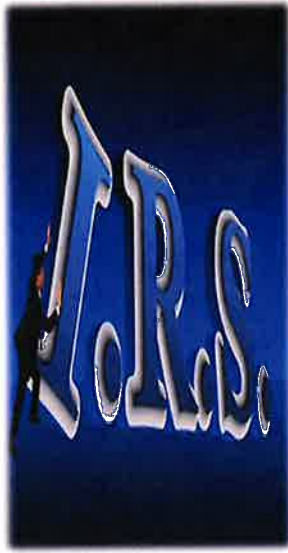
## Estate Taxes



- Tax on the transfer of wealth at death
- File estate tax return
  - Form 706
  - Mandatory if Trustmaker's share of assets, including retirement accounts and life insurance exceeds the exemption equivalent
  - Federal exemption: \$11.4 million
- Due 9 months after death



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# Estate Taxes

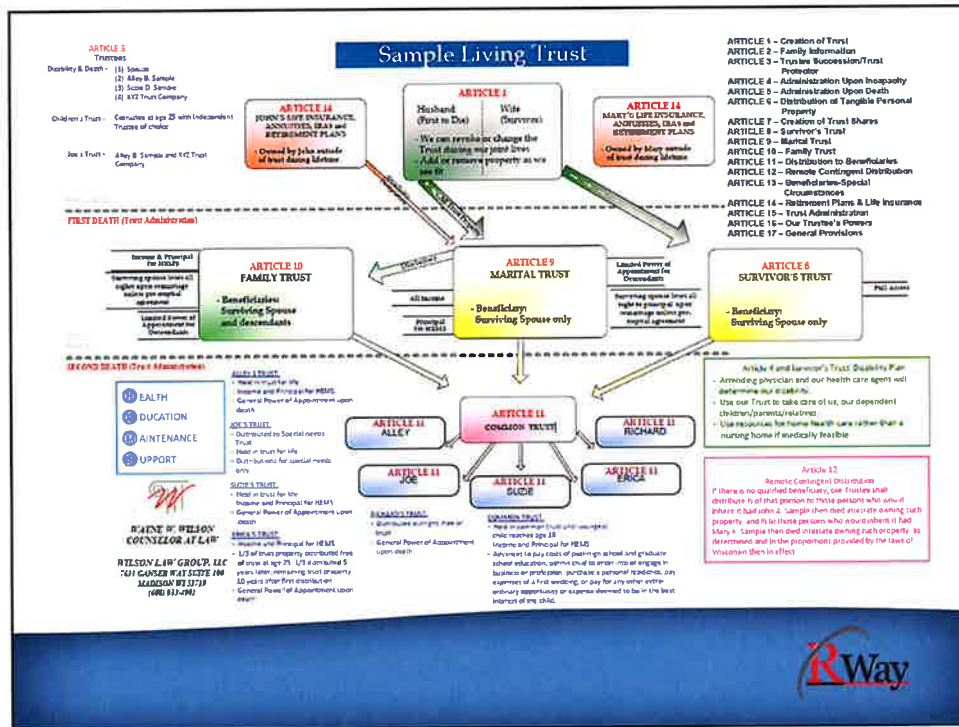
\$11,580,000 = the maximum amount that the decedent can transfer to a NON-SPOUSE at death without incurring federal estate tax

The amount that the decedent can transfer to a spouse without incurring federal estate tax is UNLIMITED

The unused NON-SPOUSE exemption of the first spouse to die can be transferred to the surviving spouse



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## Division of Assets



- Identify assets of deceased Trustmaker
  - Individual property
  - Share of Marital Property
- Pick and choose
- Right to exchange value
- Only applies to trust assets



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## Division of Assets – Retirement Accounts



- Spousal rollover
  - Available only for surviving spouse
  - Name new beneficiaries
  - Disclaimer (within 9 months of date of death)
- Children as beneficiaries
  - Taxed when distributed
  - Starting in 2020 – 10-year rule



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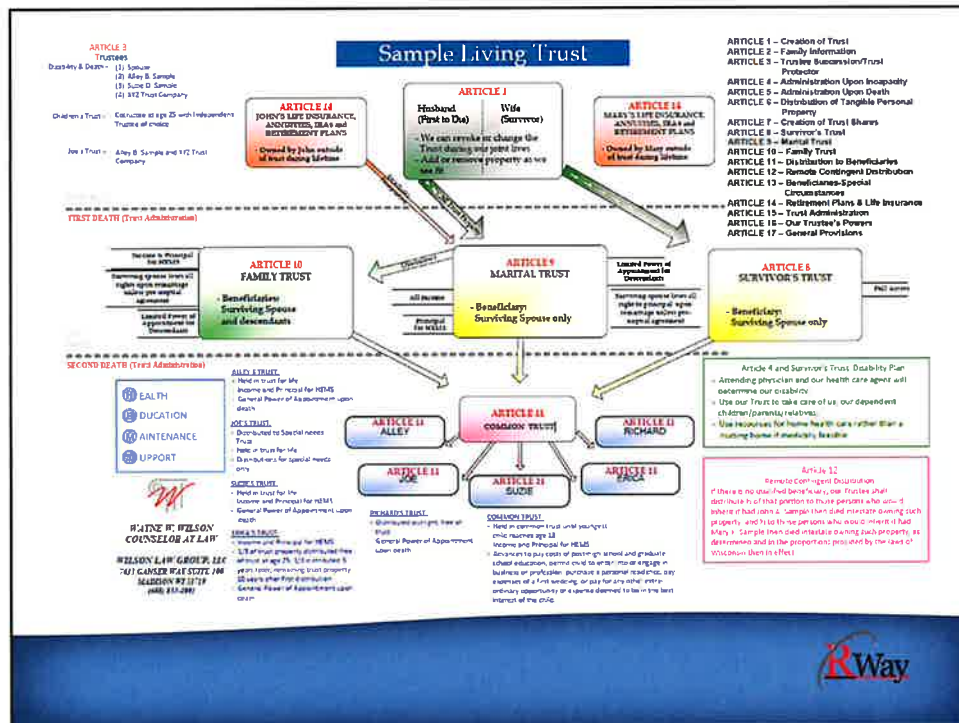
# Division of Assets



- Inventory list will establish values
- Re-title to the Family Trust
- Marital Trust (QTIP) vs. Survivor's Trust
- Place only exemption equivalent into Family Trust



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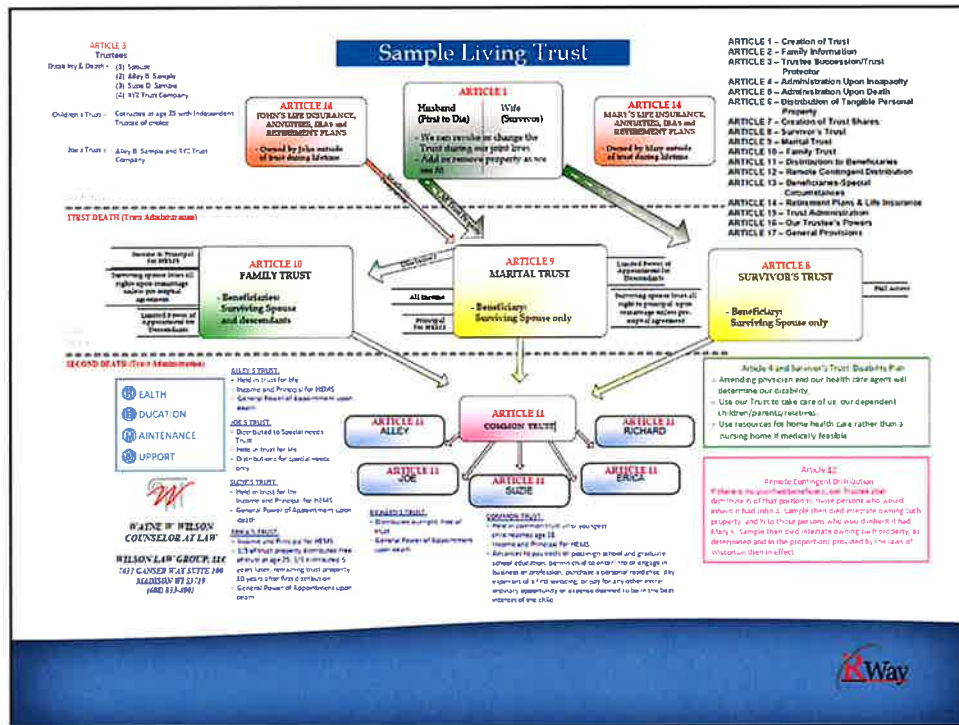
# Distribution to Children or Other Beneficiaries



- Specific bequests
- Residuary Bequests
  - In cash or In kind
  - Outright or In Trust



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## Income Taxes



### Survivor's Trust

- Form 1040
- Surviving Spouse's SSN

### Family Trust and Marital Trust

- Form 1041
- Separate tax identification number needed

### Distributions to Children or Others

- Outright – beneficiary's 1040
- In Trust – Form 1041 for trust (tax identification number needed)



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## What Not To Do



- Do not distribute assets to beneficiaries without consultation with estate attorney
- Do not transfer assets without proper tax planning advice, especially IRAs and other tax deferred investments
- Do not liquidate or sell assets without proper tax planning



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*“Trust Thyself”*



## A Trustee's Duties

- Loyalty
- No self-dealing
- Investment
- Accounting
- Income taxes
- Duty to gather assets
- Manage estate
- Distribute Assets



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We hope this presentation has helped you begin to understand the role of Trustee.

Thank you for being our guests!



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