

? TEST YOUR EQ ?

What is your Estate planning Quotient?

Answer each question True or False.

- ? 1. T F Probate can start as low as \$20,000 in California.
- ? 2. My debts are deducted in computing probate fees on my estate.
- ? 3. Probate fees are limited to a % of my estate.
- ? 4. Life insurance is exempt from death taxes.
- ? 5. My IRA and Retirement are exempt from death taxes.
- ? 6. Joint tenancy usually avoids probate.
- ? 7. Death taxes are due in cash within 9 months of my death.
- ? 8. Joint tenancy is an immediate transfer for gift taxes.
- ? 9. Joint tenancy takes effect when I die.
- ? 10. Joint tenancy allows IRS and creditors to take the property to pay for the other person's taxes, debts and judgments.
- ? 11. Death taxes are a separate and additional charge from probate.

Answers

1. California has the worst probate laws in the U.S.
2. Debts are not deducted when computing probate fees.
3. There is no limit to what probate can take.
4. Life insurance is included in calculating your estate for death taxes.
5. Retirement assets are not exempt from death taxes.
6. Joint tenancy property usually eventually ends up in probate and causes several other dangerous problems.
7. If your family can't pay the death taxes in 9 months, then penalties and interest are assessed or the property must be sold at bargain prices to pay the taxes.
8. When you create a joint tenancy you are giving away your property whether you know it or not.
9. You immediately lose control of your property when you create a joint tenancy.
10. With joint tenancy you no longer own or control your property by yourself. The property can be taken to pay for the other joint tenants' debts and taxes.
11. Death taxes are in addition to probate fees and expenses. If you are not careful your family can end up paying both.