



## How is My Tangible Personal Property Distributed After I Die?

December 2018

Unlike your bank accounts and real estate, valuing personal property items can be difficult. Personal property includes things such as clothing, furniture, jewelry, vehicles, collectibles and other items around the home.



Generally, the Trustee or the Executor is responsible for taking inventory of these items and arranging for a fair method of distribution among your beneficiaries –

whether it's by a lottery or rotation system or some other method (i.e. sale of the personal property and distribution of the net sale proceeds among the beneficiaries).

However, it's always best to make your wishes as clear as possible when it comes to the distribution of your personal effects. If your estate plan was created by our office, you will have a document entitled "Personal Property Memorandum" or "Letter of Intent", which is designed to allow you to handwrite certain items of tangible personal property and the recipients that you wish the item to be distributed to following your death.



If you never fill the form out, it will be up to your Trustee to oversee the distribution of the tangible effects.



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# Pinecone Christmas Tree DIY Crafts

- Pine Cones
- Green Spray Paint
- Gold Stars
- Wine Corks
- Hot Glue Gun
- Glitter



<https://parentinghealthybabies.com/christmas-crafts-for-kids/>

## Easy Brownie Ornaments

### Ingredients:

- 1 box (22.25 oz) Betty Crocker™ Supreme Original brownie mix or 1 box (18.3 oz) Betty Crocker™ fudge brownie mix
- 12 small candy canes
- Icing, Edible Glitter, Candy and other assorted decorating foods



### DIRECTIONS

1. Heat oven to 350°F. Line 13x9-inch pan with foil, letting foil hang 2 inches over sides of pan. Spray foil with cooking spray. Make brownie batter as directed on box. Spread in pan.
2. Bake as directed on box or until toothpick inserted 2 inches from side of pan comes out clean. Transfer to cooling rack to cool completely, about 1 hour. Freeze in pan 30 minutes.
3. Using foil to lift, remove brownies from pan, and peel foil away. Use 3-inch round cutter to cut out 8 brownie rounds. Use 1 3/4-inch round cutter to cut out smaller rounds from remaining brownie. Set aside leftover pieces for snacking.
4. Cut hook off each candy cane; unwrap, and use to create hooks on brownie circles. Reserve remaining pieces of candy canes for another use.
5. Decorate as desired using icing, sprinkles and candies. Let stand about 30 minutes or until icing is set. Store covered in airtight container at room temperature with waxed paper between layers.

## CAN I UNDO MY AB TRUST AFTER MY SPOUSE DIES?

An AB trust was commonly set up in earlier years to avoid paying estate taxes after the death of the second spouse. Because the federal estate tax limit was as low as \$600,000 per person in the 1990's, many people had taxable estates which required the creation of a sophisticated type of trust – known as an AB trust.



An AB trust provides that, at the death of one spouse, all trust assets are to be divided into two separate trusts: Trust A and Trust B. By funding these separate trusts, the surviving spouse would be able to apply his or her federal estate tax exemption to the Trust A assets, while

applying the deceased spouse's federal estate tax exemption to the Trust B assets – effectively doubling the amount that they are able to leave estate-tax free to their loved ones. However, B trust assets do not obtain a step up in basis when the second spouse dies, meaning that the assets in Trust B can be subject to significant capital gains taxes after the surviving spouse's death.

However, as the years passed, the federal estate tax exemption steadily increased. Today, it is the highest it has ever been, at \$11.2 million per person. Therefore, most people no longer need AB trusts to leave their assets estate tax free to their loved ones. This is a simple fix while both spouses are living, because the trust can easily be amended to remove the AB provisions. However, after one spouse dies, if the surviving spouse has already funded the A and the B trusts, the only way to “undo” that is by obtaining approval from the probate court.



While it does involve a court process to undo a B trust, it is often worth the time and effort, because it often saves the children tens of thousands of dollars in capital gains taxes following the second spouse's death. To discuss the idea of terminating the B trust in more detail, you may contact our office at (714) 282-7488 to schedule a consultation with an experienced estate planning attorney.

## Free Seminar



Each month, we usually conduct a **free seminar** designed to teach about the benefits of creating an estate plan. The seminars are held on-site at our Anaheim office inside of our "classroom". We offer light snacks and refreshments to the attendees and the group is often small and intimate, which allows for questions to be asked comfortably and for a very relaxed environment. Please **encourage your loved ones to attend** the seminar so that they may learn more about the estate planning process and benefits. We will have another **[seminar on January 17th!](#)** Please share with family and friends to help others know they are prepared financially for the future!



From Everyone At The Law Office Of James F. Roberts & Associates!  
We hope you have a wonderful and festive holiday season!



We hope that you have had the very best experience with our firm! And we hope that you would consider referring a friend that we may be able to help the same way we helped you!

Getting a referral from a customer gives us a lot of pride! It shows us that we did a good job and our clients appreciate us!

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