

Phelps Law

WILLS • TRUSTS • ESTATE PLANNING
EST. 1980

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Annual Newsletter 2018

Providing estate planning services and
peace of mind for our clients since 1980

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Dear Friends,

As we settle into the new year, I hope that 2018 brings you and your loved ones a year of blessing and happiness. As the years fly by, I find myself wanting to enjoy each moment. My kids are quickly growing up. My oldest daughter went away to school and now finds herself in Uganda where she is making a difference in the lives of thousands of refugees. My two boys are getting harder to beat on the tennis court, but I maintain the edge... for now.

Everywhere we turn these days we are bombarded with information – the internet, emails, television – yet it seems that very little of this information actually proves useful to our daily lives. I hope that is not true of the articles in this newsletter. But before you dig into the articles written by attorneys Jeffrey LaClair, Bryan Holm and myself, take note of a couple important announcements:

NEW TOOLS ARE AVAILABLE TO HELP PREPARE YOU AND YOUR SUCCESSOR TRUSTEES:

Your Living Trust names successor trustees who are “on deck” if you are disabled or pass away. Knowing that your successor trustees are probably novices who have never done this job before, clients often ask us: “Is there anything I can do right now to educate and prepare my successor trustees so they will be ready when the time comes?” This past year, we have been working on two new tools to help you and your successor trustees be better prepared, and I invite you to take advantage of either or both:

Attend a FREE Dinner or Lunch Seminar and “BYOT” (Bring Your Own Trustee).

We have a NEW seminar presentation designed specifically for you and your successor trustees. Come join us, and lunch or dinner is on us! Our goal will be to make this an informative and enjoyable time for you and your loved ones; so come all by yourself or even better bring along your successor trustees, friends or anyone else. [See the back of this newsletter for more details.](#)

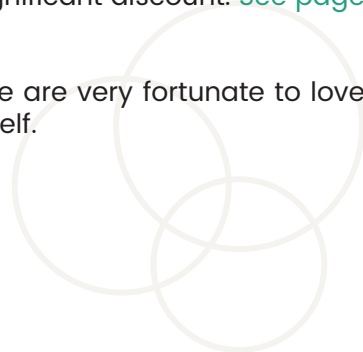
Prepare your successor trustees with the Successor Trustee Manual.

We have been working on this “instruction manual” for your successor trustees over the past year. It’s based on our own 35+ years of experience and contains over 150 pages chock-full of plain English checklists and step-by-step procedures that will greatly assist your trustee and help minimize potential legal fees, tax audits, aggravation and anxiety! We’re glad to offer it to all of our existing clients at a significant discount. [See page 7 of this newsletter for more details.](#)

All of us at Phelps Law want to say THANK YOU for your trust and confidence. We are very fortunate to love what we do every day, and we owe that to our good clients and friends like yourself.

All the best,

James Phelps



Married Four Times

The local news station was interviewing an 80-year-old lady because she had just gotten married for the fourth time.

The interviewer asked her questions about her life, about what it felt like to be marrying again at 80, and then about her new husband's occupation.. "He's a funeral director," she answered. "Interesting," the newsman thought... He then asked her if she wouldn't mind telling him a little about her first three husbands and what they did for a living.

She paused for a few moments, needing time to reflect on all those years. After a short time, a smile came to her face and she answered proudly, explaining that she had first married a banker when she was in her 20's, then a circus ringmaster when in her 40's, and a preacher when in her 60's, and now - in her 80's - a funeral director.

The interviewer looked at her, quite astonished, and asked why she had married four men with such diverse careers.

She smiled and explained,

"I married one for the money,
two for the show,
three to get ready,
and four to go."



FREE E-BOOK on our website!

**7 Costly Estate Planning Mistakes
and How to Avoid Them**

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What to Tell Your Children

by James Phelps

Did you know, children of baby boomers are due to inherit more wealth than ever before? Inheriting even a modest amount can be life changing for your children, either good or bad. So how do you prepare them? Do you tell them everything or nothing? Every family is different, but here are a few pointers.

You're In Charge:

First of all, remember your Revocable Living Trust is a private document and you have no legal obligation to tell them anything (this is not always true for an irrevocable trust). Legalities aside, there may be some practical and emotional reasons to open up a little.

Put Their Mind at Ease:

At some point, our kids start noticing we're getting old! Somewhere along the way, your children may begin stressing out about whether you have your affairs in order. They've likely heard a story from friends about families being dragged into ugly court battles, and nobody wants that. Therefore, it usually makes sense to at least tell your family that you have a well-designed estate plan in place, and all is in good order (if that is not true, please come see us!). Even if that's all you tell them, it goes a long way to putting their mind at ease.

"We believe the most effective way to teach your children about views and values on money, is to be an example and role model."

Inform Your Successor Trustee: The successor trustees named in your Living Trust should be well-informed on what their duties are if you become disabled or pass away. Most successor trustees have zero experience with this. Their job is not rocket science, but they are going to need some guidance on what to do; otherwise, they're bound to mess up something. I highly recommend bringing your successor trustee to one of our free upcoming seminars, or give them a copy of our Successor Trustee Manual so they will know exactly what to do when the time comes. (See pages 7 and 8 of this newsletter for more info.)

Consider the Age and Maturity of your Children:

If you worry that telling a child too much will either terrify them or demotivate them in life, less is more. Then again, not talking to your children at all about future inheritance can leave them unprepared to handle even a modest amount. Sometimes it's better to prepare them now when you are able to express your desires and do some hands-on legacy training.

The Apple Doesn't Fall Far From the Tree:

The old proverb is not always true, but we believe the most effective way to teach your children about views and values on money, is to be an example and role model. If kids see you being charitable and helping others, chances are they will do the same with the money they inherit. If they see you cutting out coupons, your frugality will likely rub off on them as well.

Don't forget we are here to help. Let us know if we can help with these tough discussions. Whether it be facilitating a family meeting or just making sure your Living Trust is up to date, we are always at your service.

Office Locations

MESA OFFICE

7227 E Baseline Rd Ste 103
Mesa, AZ 85209

CHANDLER OFFICE

1820 W Ray Rd
Chandler, AZ 85225

PHOENIX OFFICE

2201 E Camelback Rd
Phoenix, AZ 85016



Blended Families

by Jeffrey LaClair

Over 95 million people in America are now a part of some sort of step-relationship. Being divorced or widowed and remarried is a common occurrence in our society, and with this comes the need for special planning to best protect assets. In my experience, estate planning for blended families is particularly sensitive. Oftentimes, the two sides of the family don't know each other well (or don't like each other), and when one or both of the parents pass away relationships can get even worse when money becomes an issue.

Why it's Important

Blended families are a beautiful thing, but can come with a certain set of challenges. With more people involved, there is more opportunity for disagreements on how to care for the children, what child inheritances should look like, or how assets should be dispersed. By asking the right questions now, you can save yourself and your loved ones from many headaches later in life.

How to Navigate

Naturally, you want to maintain the healthiest possible relationships between your family members now as well as after your death. Asking these questions will help you figure out what your vision is for the future of your loved ones.

Who do you want to make decisions for you if you are unable?

How do you want to include your current spouse in decision-making, and how do you want to provide for them?

After the first spouse dies, can he or she still live in the family residence, and if so who pays for the costs?

Who will care for your kids, and who will be the guardian over minor children?

Can the surviving spouse change the estate plan, or is it "locked in" after the first spouse dies?

Does the surviving spouse have unfettered access to all of the deceased spouse's money and property, or are there restrictions and duties to account to the deceased spouse's children?

Starting with these questions can help you begin to build a pathway to the specific estate plan that will be the most beneficial for you and your loved ones.

If you are in a blended family situation, know that we are here to help you navigate through these and other tough questions. We've about seen it all over the years, so give us a call if it is time to take another look at your estate plan.

Will your loved ones know what to do when you're gone?

Don't miss our upcoming, free lunch & dinner seminars for you, your successor trustees, and anyone else you want to bring! See back page for more info.



Vulnerable to Attack

by Bryan Holm

If somebody contests your trust or will after you die, it can derail your final wishes, rapidly deplete your estate with unnecessary court costs and attorney fees, and worst of all tear your loved ones apart. But with proper estate planning, you can help your family avoid a potentially disastrous challenge to your will or trust. If you are concerned about your estate plan being challenged after you pass away, we can help.

There are certain ways you can be sure to help protect your plan from being attacked in the future. To save your loved ones time, money and headaches from court battles, the following will be beneficial:

Do not attempt 'do-it-yourself' solutions. Attempting to create or update your will or trust on your own can be an invitation to a court battle. Using generic forms from the internet or store can cause you to miss pieces of information that can negate your entire plan. Handwritten notes or typing out your own amendment to change parts of your estate plan is not a great idea. These changes, in the best case scenario, will be ignored, but in the worse case can invalidate your entire estate plan. The do-it-yourself way is not worth the negative outcomes and future headaches.

Let family members know about your estate plan. When it comes to estate planning, secrecy breeds contempt. While it is not necessary to let your loved ones know all of the intimate details of your estate plan, you should let them know that you have taken the time to create a plan stating your final wishes and who they should contact if you become incapacitated or die.

Use discretionary trusts for problem beneficiaries. If there are concerns of a beneficiary being irresponsible with their inheritance, you may be tempted to disinherit them. However, there are other options to consider that could be more beneficial. For example, you can put requirements in place for this beneficiary's share to be held in a discretionary trust. You can then name a third party, such as a relative, CPA, law firm or trust company, as trustee over the beneficiary's share. This will ensure the beneficiary will receive trust distributions with terms and conditions you have dictated. The discretionary trust also allows you to be able to control who will inherit the trust balance if the beneficiary dies before the funds are completely distributed.

Continued on next page

There are certain ways you can be sure to help protect your plan from being attacked in the future.





Vulnerable to Attack (contd.)

by Bryan Holm

Deter challenges with a 'No-Contest Clause.' Every trust we create includes a 'no-contest clause' stating that if a beneficiary challenges your plan, they are disinherited and receive nothing. Courts vary as to whether the clause is enforceable, but it serves as a deterrent to a beneficiary who is thinking about challenging your trust after you die.

Keep your estate plan up to date. Estate planning is not a one-time transaction, but an ongoing process. Therefore, as your family and financial circumstances change, you should update your estate plan. This will discourage challenges since your plan will reflect your current wishes. An estate plan that is kept up to date is an estate plan that will actually work when the time comes!

And don't forget, we are here to help make sure things go smoothly when the time comes. If you haven't seen us in the past 3 years or so, call us to take advantage of your free trust review so we can put out any "fires" before they ever start.



Announcing the Phelps Law Successor Trustee Manual

A Driving Manual for Your Loved Ones

- Based on our 35+ years of experience in administering living trusts
- Contains over 150 pages chock-full of plain English checklists and step-by-step instructions on what to do when you're gone
- Helps your Trustee minimize legal fees, tax audits, and anxiety!
- A perfect companion to your Estate Planning Notebook

To order your copy, just give us a call now at [480.892.2488](tel:480.892.2488) or email us at admin@phelpslaw.com.

Successor Trustee Manual
Discounted to \$200!

All existing clients
SAVE \$100
on first copy and each
additional copy is
ONLY \$99!

You Are Invited to a Special, Free Lunch/Dinner Seminar!

Have you ever wondered, “How in the world will my loved ones ever know what to do when I’m gone?”

If you’ve named your children, relatives or friends to be in charge as “Successor Trustees” of your Living Trust when you’re gone, they probably will have no idea of what to do! After all, they’ve probably never served as a Trustee before.

So grab your Successor Trustees (or whoever else you want!), and come [join us for a special FREE lunch or dinner seminar](#) where you will learn how to:

- Make sure your estate plan is up to date so it will work well when the time comes
- Avoid pitfalls that may result in personal liability and court battles for the trustee
- Work together with your beneficiaries to avoid conflict after you die
- Quickly access your funds to pay bills when needed
- Avoid an IRS audit and wind down your estate efficiently

Free Seminar Dates (Lunch/Dinner Included)

Wednesday, Feb 21, 2018

6:00 PM – 8:00 PM
The Falls Event Center
4635 E Baseline Rd
Gilbert, AZ 85234

Thursday, Mar 22, 2018

12:00 PM – 2:00 PM
Cooper Crossing
1820 E Ray Rd
Chandler, AZ 85225

Don't forget to BYOT!
(Bring Your Own Trustee)

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peace of mind for our clients since 1980

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