



## Sound Financial Bites 012 - Tom Lofton Episode Transcription

*“If something happens to you, who would take care of your kids?”*

Hello, this is Corey Shepherd, vice president of Sound Financial Group and I'm excited to welcome you to Sound Financial Bites, where we bring you bite-sized pieces of financial knowledge to help you design and build a good life.

Hello. Welcome to Sound Financial Bites. This is Paul Adams, president and CEO of Sound Financial Group - glad that you'd all could join us today on today's episode. We're speaking with Tom Lofton. If you Google him you'll find him under Thomas Lofton, and Tom is an attorney in the estate planning and business planning arena up here in the Seattle area. Now for those of you that haven't had a chance you have to meet Tom perhaps at one of our events, or maybe just bumping around the high net wealth community here in Seattle, what I think you're going to enjoy about our conversation today is I'm going to ask Tom a bunch of questions that are just practical help for many of you thinking about planning, thinking about your future, thinking about caring for your family both while you're alive and beyond. He's licensed in the state of Oregon and Washington - they're located here in Seattle. We live not far from each other, and I'm going to let him share a little bit about his background. He's a member of WealthCounsel. He speaks all over the area both to attorney groups, the adviser groups, and CPA groups, but maybe tell a little bit about your firm, some of the other capacities outside of your specific practice area and then I'm going to start bombarding you with questions, my friend.

Thanks Paul. Well I started my practice in 1990 in Oregon - grew up in Oregon. I got my Washington license in 1996. I came up here actually to take over a practice of a retiring lawyer - didn't know he was going to retire the next year. He left me with a couple thousand clients that temporarily moved, ended up being permanent and here I am two decades later still in Washington. We still have our office in Portland and that office has continued to grow and prosper, and it's really interesting because there's a different set of laws in Oregon. It's common law here - it's community property law. But my firm is Oseran Hahn - it's a 50 plus year old law firm in Bellevue. There was actually a large write-up about us in the newspapers last fall when we celebrated our 50th birthday. Many of the attorneys that were in the firm in 1965 are still there. It's a fantastic firm. The firm is known for real estate law. A lot of the infrastructure of the east side has been built with the help of Oseran Hahn. The firm does estate planning - I'm one of the leaders of the estate planning group - tax planning, asset protection, business, personal injury, and family law are the practice areas.

Very good and for the fun of our listeners what I want you to know is I didn't actually tell Tom at all what I was going to ask him about today, so we're going to have some fun. I want to ask you first - something that came up actually at our client event the other night and it was a husband and wife both came in the event, both professionals making a little over \$400,000 a year as a couple and what they said was, "You know, here we realize we're here tonight. Our estate planning is handled, but what happens to our kids - because they're with the sitter right now, like if we either were incapacitated and didn't make it home, and just in a hospital for a few days from a car accident, or we never made it home, what does that next week of our children's lives look like, and what can we do to have it not look that way?"

Excellent question and that's really the hot button that got me into an estate planning in the first place. I have three children under the age of 18. I worry about them. They're the most important thing we plan for. Our most precious asset, although they're not a financial asset, they're the most important thing to us. I used to teach MOPS and PEPS groups here on the east side. I go to



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*“If you have  
minor children  
you are going  
to need a  
Trust.”*

the local churches.

My wife actually runs the MOPS groups up in Mill Creek with a friend of hers about 90 miles.

Yeah so like a Foursquare Church, Northshire Baptist Church - huge facilities where you'd have a hundred people come to the morning meetings. They'd ask me to come in and talk about this exact subject, and first thing I did, I'd ask the audience, "Raise your hand if you have a plan in place to deal with that question if you don't come home tonight," and I would say one or two people would raise their hands out of a hundred. Then when I ask the one or two people, "Tell me what you've done to take care of this," They say, "Well we have a two-page document we typed up and signed that state it's our caregiving plan.

Most people did not have a last will and testament to deal with death, and the aftermath of that, and most people don't realize that a last will and testament doesn't help if you become incapacitated because it's only effective if you die.

Ah yes.

So you have to have a durable financial power of attorney if you're still living, and in that document that's where you name what I call the back-up parents.

Before we get to the deeper estate planning issues, so my couple that asked the question literally already has their estate planning done. They've got will and trust, they've got all that. But what they're concerned with is the kids are with a sitter, and the kids are with the sitter, the sitter doesn't have an estate planning documents, has the phone number of some people who are in another state, not local here which one of the first things they've realized is, like they informed me and my wife, "Hey, we're giving the sitter your number so that at least somebody who knows and loves us will be able to take care of our children, but will the state let us take care of them without some kind of written instruction right there in the house?"

So you need to have an emergency plan, and that you need to have legal documents for that. So the permanent guardians who may be out of state, they'll actually have to be confirmed through the courts.

So is that quick - if we're thinking about this, so all of our listeners who right now may have estate planning docs that could be up-to-date or not - which we're going to go deeper into what they should watch on that, but literally if they go out on a date night on a regular basis which - for designing and building a good life I hope most our listeners are. Just go out on a date night, enjoy some time. That's where some of the richest memories you're going to have are going to happen, and yet, if you didn't make it home for whatever reason, tell me about what this you've called an emergency plan document, where does it need to be in the house? What do we like to see - is it in an envelope? Do we tell the sitter this is what like open in case of emergency and follow the directions? What do we tell the sitter about making sure the like does the state otherwise just come and get the kids at night and can we avoid that?

Really good questions, and most people don't go to this level of depth. Unfortunately they'll ask about it. When usually you leave some instructions with your babysitter, if there's a healthcare emergency you need to have the healthcare insurance authorization documents, what's called the HIPAA authorization. They should be authorized on that - your insurance information but you



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*“Nobody will show up at your door when your spouse passes; you need to know the law.”*

need to have the emergency that minute. The question that's commonly asked is what if I couldn't pick the kids up from school today? So the school needs to have this information as well, the places where your children might be - little league, church, school, places where they might be because you're out on a date or they're with the babysitter or you're just at work. But the documents need to be with the emergency caregivers and they need to be in a place in the house for those people - if in this case, the sitter, has access to them. What's going to happen is if there's an emergency is the police will come, they'll pick up your kids, and the kids will be at the police station. Especially if they're little, you can't leave a three-year-old or a six or eight. Now if they're older, they'll may be okay to stay in the home for a short period of time, but you need to have somebody who can take physical custody of those kids. Then if you don't have a plan...

Then they go to the police station.

They go to the police station and then eventually they're going to go to the healthcare authority - DSHS.

So for my - I mean I'll just give this where this hits me right in the chest. Well I hope is this hits our listeners right in the chest is sometimes estate planning can feel like so far-off - far away all that, but the thing that it hits me is if my three kids lost me, and my wife, and then in the same night they go to the police station, and then on top of that end up with somebody else that they don't know, for we don't know how long in-tell somebody we know, love and care about can finally get to our estate planning documents, peel it out and figure out who the guardian is. Then present that to a judge all before, maybe a week, before our children end up where we would want them in their foster care?

So the most important component - and this needs to be in their will but it also needs to be outside the will. It needs to be in the durable living power of attorney and also outside of that document, and in the hands of the people that would be the first responders. We think about the fire department coming into our house if there's a fire. You need to be just as vigilant with your - if not more of your kids. What is the plan for that?

So you also need to think about, do you really want to move your kids out of their home, their church, their neighborhood, their school during this type of situation? It's the least - it's the most traumatic thing they'll ever experience. So ideally you would name backup parents, emergency and permanent, who have the capacity to facilitate that at least in the short-term for the children. If the only people that you can think of that are appropriate live in Florida, well you need to know that your children might be moved to Florida in the week or two after your death. Moved out of their home and out of all the things that they depend upon. So you need to - this is really, really critical, and it's not about your assets, but it - this is where all the estate planning starts.

The one thing that I think is key, you mentioned there that I could forget about, but many people listening to the podcast, they may have at one point been asked by somebody who they love dearly, "Hey if something happen to me, would you take care of my kids?" and what I would suggest to you is say maybe, and what I want to see before I say yes - and my wife and I have done this, is we want to see your estate planning documents, and we want to see how much the life insurance and assets you have. Not because we're worried about - and we live radically within our means. We're not worried about anybody's children being a burden but if you want us



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to be responsible for taking care of your kids, then we want to be that co-accountability partner to make sure that you're also being as responsible as you could be. It's very subtle but literally we had a friend who said, "Well, they haven't really been updated in a quite some time." So it was okay. Then go get the estate planning documents then and when they're done, we want a copy that we can keep in our safe. That way we can best represent your children's interest because we have a copy. That totally changed the conversation and changed the level of seriousness with which they came to asking us the questions that too often people just check the box on.

So now let's go deeper into some of those estate planning issues. Now we've got - so people may have an estate plan but don't have this emergency plan backup parents in line, which I love that term, and keeping kids from any period of time having the idea of facility unnecessarily whether it's due to incapacity or death.

So now let's talk bigger. You talked about how out of a hundred people two would have an up-to-date estate plan and it was insufficient usually.

So that's just the question, do you have a will and a power of attorney to name backup parents for your - and obviously all the parents of those meetings had children.

Yeah.

Now I look at people under the age of 50 - and I think people are getting married later now and starting families later. I was 41 when my last child was born so I don't know how common that is but I'll be in my mid-60s...

Yeah we're seeing it more.

- when she is finishing college. So people think I don't need to start really doing the estate planning until I'm over the age of 50, and that's the group that raises a few people in the room who raised their hands - but the people that are having workplace injuries, auto accidents, they're coming back from Iraq and Afghanistan, with their [puget sounders? 13:46]. Thousands and thousands of people, disproportionately, these are the ones that have minor children. So don't think I'll start my estate planning after I retire. My kids are grown up. We're all going to die someday, but the most critical time to do the estate planning is when you start your family.

Yes, oh what a great point. I know sometimes people get hung up on estate plan like I've got to have a certain net-worth, I've got to have some other things squared away first. It almost makes sense to say, you're planning, like because it's all part of the actual planning we talked at our event the other night about the fact that everybody is going to reach a point where cash flow stops. Nobody gets out of that and whether it's the planning legal documents - estate planning legal documents or planning like - how much were I'm planning to put my retirement plan this year. It's all planning, and people, you're right, I'm haven't thought about that for people who wait around and don't get it done because they think I'm not the kind of person that does that.

Let's talk a little bit about the difference between a will and a trust. Simple distinctions. What is the primary difference between a will and a trust?

Well the primary reason to have a will if is - I have a will because I have minor children, and a lot



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of effort has gone into that document having very well written backup parenting first responder plan for our kids. We have the same mirror provisions in our durable powers of attorney. That's where most lawyers or people that look - download their documents from LegalZoom and millions of people do that. That's the part they missed. They haven't passed away yet, but they don't have any - all the provisions that are in the will for after death. So that's the main reason to have a will.

If I understand right, even if you have trust you must have a will to handle guardianship first for minor children.

You must, because children can inherit but they can't take possession of assets, enter into contracts, manage their own money and property when they're minors. In fact, the laws have changed over the last decade - kind of putting out childhood to age 25, there's something called the Uniform Trust of Minors Account, and that's an age 25 inheritance. It used to be Uniform Gift of Minors Accounts, where the kids got everything when they were 18 and still in high school and I think there was some wisdom around this and thinking should we really have this dropping on our kids when they're high school students. But even if you have a will, if you have minor children or you don't want them to inherit when they're over 18 large sums of money or your child might be financially irresponsible, disabled, special needs, you need to create a trust inside the will, called a testamentary trust, and that's just the trust that goes into effect after your death, and that can be embedded in the will, and that will hold the assets for the children until you decide that they're financially responsible enough or they've reached the milestones of life to inherit the money.

Most people name a different person to be the financial - what I call the chief financial officer of their estate. They totally firewall their estate plan so that person is in charge of the money, the assets, and the financial well-being of the children, the beneficiaries. If you have backup parents, their job is to raise the children. It avoids all the conflicts that might occur even if you love these people enough to name them as the backup parents, where they might have financial - they might get sued, or they might have large family of their own. It would possibly put the assets in jeopardy for your children. So typically you name a chief financial officer for your estate, we just call them a trustee. But if you don't do any of these, what's going to happen is the court will appoint a guardian ad litem for your children. The money will go into blocked accounts supervised by the court and will be administered by the superior courts of the state of Washington until the children are 18, at which time they'll receive them outright.

So to put that in perspective from a - I can't help but think lost opportunity cost. I see it everywhere in life, that literally, that when the state is supervising it, now there is a significant liability to the person that the state appoints as trustee - or as I like to say, when our advisers meet with the client and the client doesn't have a will or trust we let them know, "Hey we did some checking." We went down at the courthouse, you actually have a will on file. Then they're like, "Really?" and we say, "Yeah." You've got - it's calling, it's called dying intestate, yes?

Correct.

So tell them what their estate plan is if they don't have one right now, what exactly is going to happen with their stuff? Because it's all pretty well late lined out on the estate right?

It is in most states. What complicates it in the last 20 years in Washington, particularly, is we



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have foreign nationals that have moved here to work for Expedia, Microsoft, Boeing, and Amazon and other companies, who are not US citizens but they come here, they buy homes, they have kids, they marry US citizens - complicated fact pattern. Their intestate outcome is complicated by the fact that they're not US citizens. Then you have blended families - spouse died. They remarried or they've gone through a divorce, or they never got married. That's almost half of our population. Then you have traditional families which are the easiest to plan for. Thank goodness, there are not as many complications.

In the statute, it states what happens to your assets when you die, and who receives them, and it's done.

When we tell them the judges already has it in their top right-hand drawer if something happens to you, they're like, "What do you mean?" Because I think people think they've delayed the decision by not making a decision when in fact, one's being made for them.

That's correct. So typically your spouse would have paramount rights in the state of Washington because it's a community property state, then it would be your children, and then beyond that...

And they get it at 18.

They get it at 18.

So they could be like, "Hey, I'm going to go to Cornell." Or they could go to Cozumel, or they could go to Harvard, or just buy a Harley, right? They could - they have a lot of choices and many of them could be inappropriate for an 18-year-old to have that much money.

Correct, and that's the default. Now if you have a small family and a lot of assets - you own a business - one of the things - so what you asked about the difference between a will and a trust, typically what happens if you have a will, and it's well-written is there will be a 6 to 12 month administration of the will under the supervision of the court, but typically they'll give the personal representative who's like a trustee - person you named to settle the estate. They'll give them nonintervention powers and let them settle the estate without supervision.

If you die without a will, there will be an administration of the estate, the personal representative will be supervised, usually they have to get a bond, and all of their decisions have to be approved by the court, and that takes a lot longer and drives up the cost to the probate.

Now, the way that I've said it a little bit to make it very simple for folks is said that, a will is a set of instructions for a judge that they may or may not follow depending on how they feel to some extent and who brings up problems they think they have with your will, and they have to be heard if they bring - if they contest it.

Yeah, there is a 120 day period after a person dies and the will is filed, where we notify every family, relative, every creditor, the IRS, the will is filed, it becomes a public document, all the hearings in regard to the estate are public and if any creditor ask for an inventory to be filed or any interested person, we have to file that inventory which is the list of all the assets of the estate. Almost always it's the case that somebody asks for that to be filed or provided. So all of that information is up in the public domain. The other thing that happens in the probate process which I - I like the probate process because there's regulation and a forum for dispute resolution.



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But in my opinion, if you can avoid that process or minimize it for your loved ones, the freezing of the assets or in a recession the...

And for clarity, freezing of assets mean we got a lot of money in an investment account with a partner of some kind and literally nobody may have access for a while.

Usually there can be four to six week period before the will is filed and the person representative is appointed.

So for people that invest in real estate, do other things like that, like literally at the crucial time of trying to close something, sale or purchase, a death could freeze everything from being able to move forward inside the business, thereby hurting the business.

They could. We see this in recessionary times. So between 2009 and 2011, when we kind of were on the back end of a pretty deep recession here in Washington state, that was a bad time to be going through a probate because typically in probate, the assets are liquidated.

Within a certain horizon of time also, like...

Stocks, real estate, business assets. That may not be optimal. You may not want to put your family in that situation because the assets are distressed. They're under pressure to be liquidated and the - it's the same situation as it if the assets are in a divorce litigation or a bankruptcy litigation. It doesn't put the family in the best position to optimize the assets.

So inverse is, if we have a trust, that entity continues to own stuff, and the only difference is who's running the entity?

That's correct and again, if you have minor children, you're going to need a trust anyway - whether the trust goes into effect after you die and it's embedded in your will, and after there's a probate, or it goes into effect while you're living. It's really no different than a will that your instructions for disposition of your assets upon your death. So it's not a mysterious thing. It's just your final instructions.

And the trust itself could avoid a lot of probate cost?

Well my clients, we go through that risk discussion. There's three routes they can take. They can have no plan, and that's 75%. The younger the people are, the higher that percentage is.

And that's the one that's - that plan itself is a super low upfront cost, really high back-end cost.

That's true. They can have a will plan which puts the assets in the estate into the public domain, but typically has a trust embedded in it. So if you go through a simplified probate in most cases, then you'll set up the trust and fund it post-probate with the assets.

You can also do a transfer on death which I think is kind of dangerous because if you'd have your children, typically people name their kids as the beneficiaries after mom and dad die of their 401K, their IRA, their home, their business, their bank and brokerage accounts. But they might not be old enough to inherit those assets or they might be 18 or 21. Normally people wouldn't



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leave a million dollar life insurance policy to a 21-year-old either.

Then the third route you can take is to do a living trust which is a kind of a supercharged last will and testament. Typically what we do is we put the principal residents into the trust, any out of state property to avoid probate in other states if you own a vacation home for example, then their personal property and any interest you have in a business. So if you die there's kind of a succession plan, you have somebody in charge to deal with those assets. Everything else we usually leave it titled the way it is - the name, the spouse, and then the trust is the transfer on death beneficiary.

And then that's that pour-over provision of the will that's going to say, "If I just bought a house, or if I forget - stuff that's not my trust needs to go there now that I'm toast."

That's correct.

Okay. That makes sense. So one thing you said there that I don't to step over too quickly is beneficiary accounts. So we have 401Ks, IRAs, life insurance, there are things that we have in our life that aren't controlled by our will that are going to go direct - did I missed any of those main three?

Those are the major three, 40 - retirement plans, life insurance, and now you can even setup transfer on death for your bank accounts and brokerage accounts. Pretty much everything can be transfer on death.

So the thing that I think about that I've seen missed, and I've got one epic story of a client that died where he was married before, he was divorced in the midst of billing very large companies net worth was 70 some million and his wife was - ex-wife - was still beneficiary, trustee, everything in his estate planning documents. Fortunately, all his planning got redone from a document perspective. Unfortunately, his other planning wasn't complete yet. But just from a document perspective that put his parents and his sister - that he was no longer married in the driver's seat with their son, which would have been impossible if the estate planning documents have been left the way they were. But we see lots of times people have with life insurance, retirement accounts, when we meet with them - so I think of that is like, I'm making a list here of a few things that people need to make sure as we complete this - this episode today. One of those things that we did to make sure people touch, I will come back to that.

Let me ask, there's - everybody hears about death taxes, estate taxes, they work differently in the state of Washington than they do federally, maybe how the state of Washington works first and then we can go to what happens and how much it cost people to really transfer stuff they've built in this lifetime. They paid taxes on - they're going to have to pay taxes again and how that works.

So, Washington enacted an estate tax about a decade ago by a voter initiative. We approved it. It wasn't the legislature..

Why you got to say it like that? I didn't live here then.

It was actually repealed in 1979, and after the federal estate tax laws changed, the department of revenue tried to kind of reinstate, administratively, a bunch of lawyers sued and we won. Then





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Bill Gates Sr. and some others said, "We need an estate tax in Washington. There's a lot of wealth here." So there was an initiative and I think 61% of Washingtonians said, "Yes, let's have an estate tax." So we've had it ever since. The exemption was set at two million per person. If you're not a US citizen and you're hearing this podcast, you need to do special planning because you don't have that exemption.

If you came to work for Microsoft, Expedia, Amazon, or Boeing for example, you need to see an estate planning attorney to protect yourself, but they've indexed it for inflation and now this year it's \$2,078,000 so it's gradually increasing. But your spouse, if you're married, your spouse doesn't automatically protect your exemption.

It's you've got to do some planning to get like of trust, wealth, something that picks up both so that you have \$4,000,000 and some change.

Yeah so that's the minimum protection you're going to have if you do proper estate planning - two Washington exemptions. Then the United States exemption...

Wait, I was going to say right before that, what is the tax? So we get a little over four million, what are we paying the state of Washington if we got a net worth of six or seven million?

So the tax starts at 10% of every 1 million dollar increment. I believe it goes out to 15% on the second million dollar increment and it goes up by 1 percentage point and tell you'd get around nine million, above the exemption, and then it's north of 20%. That's above and beyond the federal estate tax.

Do we get a deduction against the federal estate tax for what our estate inheritance tax is?

You do.

Okay.

Also Washington excludes out of state - like if you have second home in Scottsdale, that would not be in your Washington estate but if you own a limited liability company or a business that's here, even though the assets might be in other states, it's considered to be personal property and it's all included in - I have a client with over 50 million of assets in Texas owned by a Washington LOC, thinking I don't have to realize that for Washington purposes they do.

I see. I see. Great and now let's talk federal. So now, federal, we got 5 million and some change each, for a husband and wife?

You do. That exemption they actually repealed the estate tax in 2010 and that's - every time they repealed it, the repeal was only lasted for a year or two, so don't get your hopes up. If the election goes a certain way and the congress repeals it because that's usually very short-lived.

Come and gone eight times since its institution.

I've heard that so, and that happened in 2010. But they set the exemption miraculously after the midterm elections when president Obama was re-elected at five million per person. It's been index as well and it's increased to \$5.45 million, so a married couple has \$10.9 million and growing if we have inflation. There's also a really cool new law --



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And by exemption very simply it means if I've got less than \$10.9 million, I can leave that to my children and the IRS isn't going to take another 40% chunk of that money.

They're not going to take it for estate tax purposes, but if a lot of that is embedded in your IRA or deferred income, there's still an unfunded tax liability there that you have to realize but - and all of your assets are subject to the estate tax - life insurance if you own it, your retirement accounts and they also may be subject to income tax. The good news is when the first spouse dies in Washington there's a full step-up in basis and all the capital gain and there's something called portability now that says, "If you file an estate tax return when your spouse dies for them, you can inherit their exemption." So if my spouse dies and I can either get the exemption by doing proper estate planning to preserve and protect both exemptions or I can file an estate tax return and inherit her exemption. So I would move forward with it just slightly under \$11 million of exemption and that's what many people are doing now.

So, people need to make sure that with their CPA, they're filing that estate tax return even if let's say they lose a spouse when they're not worth that much money at the time, maybe they're only worth five, but they should make sure that their spouse has the estate tax return filed after death to be sure that they preserve it.

This is really critical. Nobody's going to come knock on your door when you're grieving your spouse's death. You have to know the law.

So, great reason for someone to have a relationship with a professional like you.

Correct.

They will knock on the door.

So this is my advice. The estate tax exemptions may be reduced in the future to as little as \$2 or \$3 million. That's actually in the proposals and - if you look at the websites of the candidates for president. But if your spouse dies and you have a one - the two of you have a \$2 million estate and most of the value is in your home and in your retirement plan. If you file on the estate tax return, they're going to add almost \$5.5 million to your - let's say, future exemption that cannot be taken away from you. If your exemption is reduced to a million, that's all you're going to have, but you're going to have the \$5.5 million exemption of your spouse, there to protect if your estate grows. So, pretty much everybody should file on estate tax return now and a lot of people don't know that.

That's very good. Very good. Well what I want to do - kind of wrapping up our conversation today, I wrote down three key bullets I think everybody has paid attention to. I want to make sure people know how to get in contact with you, and these are the three things I captured. I want to know if you have any like major bullets to say. Here is something else you need to do. If your existing plan, whether an attorney that you worked with, legal professional or D-I-Y version you tried, what I would encourage everybody do is make sure you get that emergency plan with backup parents done, in the hands of the sitter, any childcare professional. You even mentioned the school, little league, make sure those key players have that.

Second is be sure you have selected your three people. You need the guardian - that's the



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backup parent, we need the CFO of the estate - that's the trustee, and we need somebody who's going to execute on the documents, kind of like three branches of government. If you want to get ready for the estate planning conversation, get a yellow pad, grab a bottle of wine, sit outside with your spouse, and figure out who those three people are going to be, at least three generations deep, and you may even want to make sure that maybe, "Hey, we'd like Tom to be guardian of our children as long as he's still married to Mary but we don't want him to be guardian of our children if Mary's not there." You may want those qualifiers and when you come ready with that, you'll find a lot of the air comes out of the conversation with the attorney or the angst that you might have. One other small thing, if you disagree with your spouse right now about who you want as guardian of your children or trustee, I promise you your spouse's choice right now is better than the judge's choice of who's going to care for you kids, or who's going to watch the money.

Then lastly is those other account beneficiaries, 401k, IRAs, life insurance - make sure those are not out-of-date. Anything somebody should be looking for right now as we close like I - I probably going to get my estate plan reviewed soon if I what?

Well most people don't have an estate plan, but if you do, you probably did a simple will when your first child was born.

So rule number one would be, if you don't have one, you need to talk to Tom or someone like Tom.

Absolutely, and don't - don't download it and do it because only about one out of three do-it-yourself estate plans are actually successful.

But the probate attorneys love the do-it-yourself wills.

Unfortunately.

Yeah because they get a great chance to probate an estate that acquires more cost that will otherwise need to be spent if somebody had done proper planning.

Even though we have - I must say we have a very efficient streamlined probate process. I don't want to understate that. Let's give some credit to our bureaucracy in the state because it is actually one of the most efficient in the country.

That's great.

But why would you put your family in that situation if given the choice to not do that? But the - most people do their will when they have their first child, then they have three or four more kids, and they're omitted from the will because they didn't update each time.

So if you had any kids since your last documents, we're done.

Correct. They usually come back and see me after their kids - they're empty nesters. So there's about a 20 to 25 year time period and their will was done 20 years ago and it says they have one child, and often they even move here from another state.

Would it be fair - are there triggering events that would make somebody want to get in front of



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you would be they bought or sold a business, started a business, got married, got divorced?

Correct, or they moved here from another state or from another country. Thirty percent of our population are - I heard 90,000 people are moving into Washington, mostly in King County every year.

So, we're going to have you back and we just need to have a conversation about our friends that are originally foreign nationals and what their particular planning issues are. I think that could be really important. How can people get in touch with you Tom?

You can call me at my office at 425-455-3900, Bellevue, Washington. We're in the Skyline Tower - right across the street from city hall. You can email me. Just go to the website for our firm, Oseran Hahn, O-S-E-R-A-N and H-A-H-N. You'll see my practice profile there. You can click and send me an email. I won't give you my email here because it's got a lot of letters in it but you can call or send me an email. We don't charge for an initial consultation, sometimes several initial consultations. I'm happy to meet you, with your professional adviser's office at my office, or even have a GoToMeeting with you, whatever is most convenient for you. If you don't want to come in to Bellevue, many people would rather stay home and consult and remotely.

Tom and I have even done some consulting on some client strategies by GoToMeeting. He is great at it. can't say enough about how I appreciate you being here today and getting a chance to spent some time together. Tom and I got the chance to just share some very real moments about family and faith before we got on the episode today, so I very much appreciate that, Tom. I'd encourage all of you when you get a chance, you can see all these details if you're listening while you drive, go to the podcast description, we've got all Tom's contact information there. Thank you again Tom and hope you all have a great rest of your week.

Hey, this is Corey again. I just wanted to say it's been great to have you here listening to this episode. You can find out more information about us on our website, [www.sfgwa.com](http://www.sfgwa.com) or you can find us on Facebook under Sound Financial Group. We'd love to hear any questions or comments from you there. Who knows? You may hear one on a future episode. For our full disclosure, you can go to description of our podcast series, this episode's description, or our website.

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