



TRI-VALLEY EXECUTIVE'S ASSOCIATION
P.O. Box 985 ♦ PLEASANTON CA 94566
PHONE & FAX 485-1394 ♦ www.trivalleyexecs.com

NOVEMBER 24, 2005

NEXT WEEK:

The next meeting of the Tri-Valley Executives' Association will be held on Thursday, **December 1** at Vic's All-Star Kitchen at 7:00am.

GREETERS will be **Joey Minahan** of The Door Doctor and **John Oldemeyer** of USANA Health Sciences.

John Oldemeyer of USANA Health Sciences will give the VALUE.

The CLASSIFICATION will be given by **Jim Pease of W.H. Mayer Accountancy Corp.**

VALUE:

The value of membership to Brian Richards of Complete Business Systems is the broad range of member businesses. All the services that he, his family, friends and clients need are available through the members of the TVEA.

TVEA CHRISTMAS PARTY:

The TVEA Annual Christmas Party will be Thursday, December 8th at 6:30 in the evening in the home of Karen Johnson and Harvey Tulchinsky.

Dinner is potluck; please call Marilyn Lewis at 417-0512 to find out what you signed up to bring. BYOB!!

Note: there will be no morning meeting on December 8.

NEW ADMINISTRATION:

Our Board of Directors consists of 7 members, including the President. 6 of those 7 have reached their two-year term limit, also including the President.

We will be accepting nominations for 6 new members of the Board of Directors in the month of January. Elections will be held in February and the term of the new administration starts in April.

If you would like to have a "voice" and join the Board, please let Cristin know.

CLASSIFICATION:

Beverly Hoey of the Law Offices of Beverly Hoey is an estate planner and administrator.

Many people believe that estates are just set up for tax reasons, but as they get older and are faced with handling the affairs of elderly relatives, they see the value of having a plan. Most people avoid setting up a trust because they don't want to face the fact that they may decline at some point.

California is a Community Property state, meaning that property transfers to the surviving spouse upon ones death. However, when the surviving spouse passes or both pass simultaneously, their estate valued at \$1.5MM or more (easily attainable in this area) is subject to 55% estate tax rate and would go through a lengthy probate process.

When a trust is formed, it becomes its own entity. It holds property and instructs its



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trustees of distribution of that property when its owners are no longer living.

Beverly Hoey specializes in estate planning. Setting up a trust is not just a simple document. Along with setting up a trust, she would combine it with a durable power of attorney, advanced health care directives, and a pour-over will. If created properly, one can avoid conservatorship, which can be very costly.

As a trust administrator, Beverly would handle paying creditors, paying taxes, funding sub-trusts and getting date-of-death appraisals after one passes. She would also take care of the bypass trust, which would be set up for 50% of the community property (up to \$1.5MM) and/or if one spouse had separate property. Trustees can be adult children or a fiduciary.

One way to avoid paying excess taxes would be to create a charitable remainder trust, where the asset would be sold by a charity. The proceeds would then be invested by the charity that would keep 10% of the investment income and beneficiaries of the trust would get 90%. Many charities will pay for the costs of setting up this type of trust.

Something to remember:

Wills are public records, whereas trusts are private, keeping outsiders from obtaining your asset information.

The cost to establish a basic trust is approximately \$4,000 for a husband and wife. Trust administration is usually billed hourly.

To talk to Beverly about your need for a trust or to have her review the trust you have, call her at 847-0880.
