

### Options for Transfers on Death

	Designated Beneficiary	Pay on Death	Joint Ownership	13100 <sup>1</sup> Declaration	Trust	Probate Will
Real Estate	No	No	Yes	No	Yes	Yes
Bank Accounts	No	Yes	Yes	Yes	Yes	Yes
Insurance Policies	Yes	No	No	Yes	Yes	Yes
Retirement Accounts, 401k, IRAs	Yes	No	No	Yes	Yes	Yes
Broker Accounts	No	Yes	Yes	Yes	Yes	Yes
Stock Certificates	No	No	Yes	Yes	No	Yes
Business Entities	No	No	Yes	No	Yes	Yes
Advantages	1. Low cost 2. Easy	1. Low cost 2. Easy	1. Low cost 2. Easy	1. Low cost 2. Easy	1. Control 2. Allows contingency planning and deferred distribution	1. Court Supervised 3. Allows contingency planning and deferred distribution
Disadvantages	1. No deferred distribution	1. Need cooperation of financial institution 2. No deferred distribution 3. Loss of control	1. Loss of Control 2. Joint liability. 3. 1 <sup>st</sup> to die, who? 4. No deferred distribution	1. Probate assets must be less than \$100,000 2. No deferred distribution	1. Cost incurred up front	1. Court Supervised 2. Red tape 3. Costly 4. Public

**Designated Beneficiary and Payable on Death Accounts:** These are forms provided by the financial institution holding the assets. The form instructs the financial institution on what to do when the owner dies.

<sup>1</sup> California Probate Code Section 13100. Excluding the property described in Section 13050, if the gross value of the decedent's real and personal property in this state does not exceed one hundred thousand dollars (\$100,000) and if 40 days have elapsed since the death of the decedent, the successor of the decedent may, without procuring letters of administration or awaiting probate of the will, do any of the following with respect to one or more particular items of property:

- (a) Collect any particular item of property that is money due the decedent.
- (b) Receive any particular item of property that is tangible personal property of the decedent.
- (c) Have any particular item of property that is evidence of a debt, obligation, interest, right, security, or chose in action belonging to the decedent transferred, whether or not secured by a lien on real property.

**Joint Ownership:** Ownership of the assets with another person. The ownership interest of the person who dies disappears and the surviving owner has total ownership.

**Trust and Wills:** A will is supervised by the Probate Court. A trust transfers assets outside the court system.

**Deferred Distribution:** 1. minor children, 2. estate tax planning, 3. second marriage, 4. beneficiaries with special needs, 5. protect beneficiaries from themselves, 6. multi-generation planning, 7. pets