

ESTATE planning | Transferring Assets

Instructions for Transferring Existing Assets

ALL OF YOUR EXISTING ASSETS MUST BE TRANSFERRED INTO YOUR NAMES AS TRUSTEES OF YOUR TRUST IN ORDER THAT SUCH ASSETS WILL BE PART OF THE TRUST ESTATE, AND WILL BE PROTECTED BY THE TRUST. ANY ASSET REMAINING IN YOUR PERSONAL NAMES WILL PROBABLY BE REQUIRED TO PASS THROUGH PROBATE. YOU SHOULD COMPLETE ALL ASSET TRANSFERS AS SOON AS POSSIBLE NOW THAT YOU HAVE ESTABLISHED YOUR TRUST.

This list of assets is based on our records of the types of property commonly held. If you have assets requiring a form for accomplishment of the asset transfer for which no transfer form is provided, please call in order that we may assist you.

BANK AND SAVINGS ACCOUNTS;
CERTIFICATES OF DEPOSIT;
SAFE DEPOSIT BOXES:

(DO NOT TRANSFER INDIVIDUAL RETIREMENT ACCOUNTS (IRAs) IN THIS MANNER. SEE SEPARATE INSTRUCTIONS FOR IRAs BELOW.)

Bank or Savings & Loan records and signature cards must be changed to show that the owner of the account is the Trustee. Usually new accounts and checks are not required, with the change being reflected only on the Bank's records. If you desire an additional authorized signature on any Trust account, appoint the person as Deputy Trustee and have such person entered on the signature card as an authorized signer in that capacity.

IF YOU HAVE DESIGNATED A CHILD OR ANOTHER PERSON AS A CO-OWNER OF YOUR CHECKING OR SAVINGS ACCOUNT, OR CERTIFICATE OF DEPOSIT, BOTH YOU AND THAT CHILD SHOULD SIGN THE REQUEST FOR TRANSFER LETTER.

In spite of the popularity of the living trust, personnel at some banks and savings and loans are still not fully familiar with the procedures to be followed when accounts are transferred to a living trust. IF ANYONE TELLS YOU THAT YOUR ACCOUNTS CANNOT BE CHANGED IN THE MANNER STATED IN YOUR ACCOUNT CHANGE REQUEST, OR THAT YOU MUST OBTAIN A FEDERAL TAX IDENTIFICATION NUMBER FOR YOUR TRUST, THIS PERSON IS MISTAKEN! Ask to talk to a manager or supervisor. If you still encounter any problems, obtain the name of the person at your bank who is handling your transfer request, and the telephone number of the bank. Then call our office and provide us with that name and telephone number. We will call your banker to assist you in finalizing your account transfers.

Credit Union Accounts

Most credit union accounts may be transferred in the same manner as bank and savings accounts; however, some credit unions may require that your account remain in your personal name and will not permit transfer to your trust. In such cases, you should designate the trust as beneficiary of the credit union account in event of your death so the funds will pass to your Trust without the need for probate. Your credit union will furnish a form for that purpose. Fill out the form with the same beneficiary designation as in the case of life insurance (see below).



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Securities

NOTE: Ownership of un-issued securities held in a corporate profit sharing or other benefit plan cannot be transferred until securities are withdrawn from the Plan. See information below concerning company benefit plan beneficiary designation.

For Money or Ready Cash Accounts, or if your Broker Holds Your Stock, Bond or other Certificates:

Contact your stockbroker and request that all securities accounts be transferred to your Trustee, usually you. Your broker may request either a copy of your Trust Agreement or a copy of the section "Powers of Trustee". This will be the same for on-line trading accounts such as E-Trade or AmeriTrade.

If you hold the Stock or Bond Certificates:

Publicly Traded Stocks and Bonds: All certificates must be delivered to the issuing company or its Transfer Agent, for transfer to the Trustee, usually you. A "Securities Assignment" form is used for this purpose. One form must be completed for the certificates of each company, and sent along with the certificates. These forms must be obtained through each company with whom you hold stock. Your stockbroker may be willing to assist you in sending in your certificates for transfer.

Privately Held Corporations and S Corporations: A "Grantor Trust", such as yours, is qualified to be a stockholder of an "S Corporation," but you should notify your accountant or tax advisor so tax returns will be correctly filed for the S Corporation. However, if the corporation is a Professional Corporation, special procedures may be required. Discuss these actions with our office BEFORE transferring any Professional Corporation stock. To transfer stock in a privately held corporation, assign the stock certificates to the trust using the transfer legend on the back of your stock certificates. Then have stock reissued in the name of the trust showing the new ownership. If your stock certificates have no transfer legend then write on the back "I, _____ (your name), hereby transfer _____ (amount of shares), of _____ (type of stock preferred or common) stock in _____ (name of company) to _____ (name of trust). Then date and sign underneath.

Mutual Funds:

If you hold Mutual Funds where you deal directly with the Fund, a letter of instruction must be sent advising the Fund of the changes to be made. If you have such investments, the Fund may have a form for you to fill out to request a change in ownership of your fund account. If you need assistance, please call us. IF YOU SEND A LETTER OF INSTRUCTION OR USE THE FUND'S FORM, BE CERTAIN THAT YOUR SIGNATURES ARE GUARANTEED BY A COMMERCIAL BANK (NOT A SAVINGS AND LOAN OR CREDIT UNION) OR A NEW YORK STOCK EXCHANGE STOCK BROKER FIRM, THIS IS ALSO REFERRED TO AS A MEDALLION SIGNATURE AND IS NOT THE SAME AS A NOTARY PUBLIC! ALSO BE CAREFUL TO USE NAMES EXACTLY AS THEY APPEAR ON THE FUND, USE CORRECT SOCIAL SECURITY NUMBER(S) AND THE FULL NAME OF THE TRUST.

Treasury Bills -- Treasury Direct Accounts:

If you have a "Treasury Direct" account, request a form from the Treasury Department or institution holding your account. Complete the form, following the instructions included.



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Individual Retirement Accounts (IRAs)

Your IRA is no longer required to remain in your personal name. You may, and should, designate the trust as the death beneficiary so long as your spouse or children are the beneficiaries of the trust. They will be considered designated beneficiaries the same as had they been named directly. In the alternative you can name a death beneficiary to receive any un-withdrawn funds from the account (without probate) in the event of your death. If married, it is generally preferable to designate your spouse as primary beneficiary (so the IRA balance may be “rolled over” to a spousal IRA without “triggering” the need to make payment of unpaid income tax on the deceased spouse’s IRA), and to designate your children as secondary beneficiaries. If unmarried, or if there are no children then you should designate another person as your beneficiary.

Other Personal Pension and Retirement Plans

Treatment of Keogh or similar personal pension or retirement plans is the same as that of IRAs.

EMPLOYER-PROVIDED PENSION AND PROFIT SHARING PLANS, 401(k) PLANS AND DEATH BENEFITS:

Great care must be taken to make proper selections under employer-provided plans. You should review the Plan materials carefully, and discuss the Plan with the Administrator or your employer’s representative having responsibility for the Plan, keeping the following general principles in mind:

- (1) Your Trust will NOT be designated as owner of your vested Plan benefits during your lifetime. You must remain the owner until the benefits are withdrawn from the Plan.
- (2) Your Successor Trustee can be designated as the Death Beneficiary to receive any amounts payable under the Plan in the event of your death (use the same Death Beneficiary designation as in the case of Life Insurance). If you are married and the Plan provides survivorship benefits for a spouse, an alternate Beneficiary designation is generally as follows (show Trustee’s name in the same manner as in the case of life insurance beneficiary see below):

- (a) Primary Beneficiary - Spouse
- (b) Contingent Beneficiary – Trust

Which will be right for your plan will depend on your individual plan requirements and your plan administrator can advise you on what is allowed under your plan.

THE PROPER FORM FOR BENEFICIARY CHANGE IS ORDINARILY FURNISHED BY YOUR EMPLOYER (OR FORMER EMPLOYER) OR THE PLAN ADMINISTRATOR.

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U.S. Savings Bonds

Ownership of U.S. Savings Bonds should generally be changed to the Trustee's name. A special Treasury Department form is available from your Bank for transfer of Savings Bonds to a "Grantor Trust" (without income tax consequences), which should be completed and sent to the address your Bank will provide to you, so that this can be accomplished. Bonds will NOT be considered as having been "cashed in" when transferred in this manner. ASK YOUR BANK FOR TREASURY FORM PD 1851.

Partnerships

Sign TWO COPIES of an "Assignment of Partnership Interest". Retain one copy for your personal records and have the other copy filed with the Partnership's business records. If you need to have this document prepared, please discuss it with us.

Many Limited Partnerships require that the General Partner(s) consent to an assignment of a Limited Partner's interest. Consult with your General Partner(s) concerning any required procedures in your Limited Partnership(s). Be certain that you advise them you have a "Grantor Trust" for income tax purposes, so all tax reporting will continue under your personal social security number.

Oil, Gas, and Mineral Interests

Assignments of oil, gas, or mineral LEASE OR ROYALTY INTERESTS should be recorded in the same manner as real estate deeds. After recording, send a copy of the recorded assignment to each company that has an oil and gas lease covered by the assignment.

Transfer of oil, gas or mineral RIGHTS IN LAND should be by a Deed rather than an assignment. If you have not previously furnished us with the necessary information concerning your oil, gas or mineral rights in land, please do so promptly in order that we may prepare the necessary deed(s).

Real Estate

We will assist you in preparation of Deeds for each parcel of real estate (some charge for preparation and filing fees may be required), and, upon execution of deeds, will have each Deed placed of record in the office of the County Recorder of the county in which the real-estate is located. We will need a copy of your current deed, showing recordation information, if you need our assistance in preparing the Quitclaim or Gift Deed(s).

If a Deed has been recorded conveying your personal residence to your Trustee and if you are eligible to receive any homeowner's or other property tax exemption or discount under the laws of the jurisdiction in which the residence is situated, be certain that you contact your assessor or other property to your trust. Because of your trust is a "Grantor Trust," and the provisions of your deed and trust agreement should assure your continued residency (RESERVED LIFE ESTATE), all such exemptions and discounts are usually continued in effect.



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Receivables Secured by Real Estate

If money is owed to you and the indebtedness is evidenced by a Promissory Note secured by Deed of Trust or Mortgage, or by a contract of sale, that receivable must be assigned to Trustee in order that Trustee may collect the money due and enforce the obligation, in event of your disability or death.

We will prepare all necessary assignment documents, and, upon execution, will see that those documents are recorded (where appropriate) and filed with escrow holders and collection agents (where appropriate) and will notify you when these actions have been completed. Cost per document is approximately seventy five to one hundred and fifty dollars (\$75.00-150.00) plus filing fees

Life Insurance Policies

IF YOU WISH PROCEEDS OF YOUR LIFE INSURANCE TO BE INCLUDED IN YOUR TRUST AND DISTRIBUTED AS PROVIDED IN YOUR TRUST AGREEMENT, THE SUCCESSOR TRUSTEE MUST BE SHOWN AS PRIMARY BENEFICIARY OF THE POLICY OF LIFE INSURANCE.

Change of Beneficiary forms should be requested from your insurance agent or from the life insurance policy issuer. You may contact your insurance agent in person or by telephone to request Change of Beneficiary forms.

Don't forget any employer-provided life insurance in connection with your present or previous employment. See the Personnel Department or other department that administers your employer's benefit programs.

To Designate Your Trust as Beneficiary to Receive Death

Use the following wording (unless the insurance company or benefit plan requires other wording):

[NAME], TRUSTEE UNDER THE REVOCABLE LIVING TRUST OF _____, DATED THE _____ DAY OF _____.

(The name of your trust, including this designation, is found on the page before the beginning of the signature pages under the heading "Short Name")

If a policy of life insurance has a substantial cash value, you may wish to consider changing BOTH the OWNERSHIP and the BENEFICIARY designations to Trustee's name.



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Annuity Contracts

Since there may be undesired tax consequences when ownership of tax-deferred annuities is transferred, ownership of such annuities should remain in your personal name until and unless your tax advisor has confirmed that you may transfer ownership to your trust without adverse income tax consequences. You should, however, promptly designate death beneficiaries as follows: If married, your spouse should be designated as Primary Beneficiary, if living, and the trust should be designated as Contingent Beneficiary; if unmarried, the trust should be designated as Primary Beneficiary. The same trust name should be used as for life insurance.

All other annuity contracts are handled in the same manner as policies of life insurance. For annuity contracts other than the tax-deferred annuities, you will probably want to change both the ownership and the beneficiary designations to the trust.

YOUR ANNUITY CARRIER CAN PROVIDE YOU WITH THE NEEDED CHANGE OF BENEFICIARY FORMS.

Equipment, Tools, Farm or Ranch Machinery & Equipment, Livestock, and other Miscellaneous Personal Property

Use a Bill of Sale form. If there is an Exhibit A on your Revocable Trust document, that may be sufficient. Contact our office if you need help with this type of asset transfer. A Bill of Sale is not required to be recorded.

*The purpose of this document is to provide general information, not legal advice. A qualified attorney should be consulted before implementing any plan.



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