



Key Questions To Intentional Estate Planning

By Jeanne Goussev, AEP®, CTFA, J.D.



JEANNE GOUSSEV

leads LNWM's fiduciary team and collaborates with other attorneys, accountants and estate planners to make sure her clients' planning is appropriate and effective, and LNWM's strategies are up-to-date and working as intended.

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If you think trust and estate planning is boring, you haven't yet met Jeanne Goussev, LNWM's new Managing Director of Fiduciary Services. Jeanne joined LNWM in mid-June, bringing with her a passion for helping clients to prioritize and plan for the future. We sat down to talk with Jeanne about her work and why her intentional approach to planning is a perfect match for LNWM's clients, culture and operations.

Q: Jeanne, what's your role here at LNWM?

Jeanne: Essentially, it's to help clients build plans that support what they care about the most in a lasting way. And this always starts with developing a relationship with clients that allows us to work together and fully explore what they want to do. By understanding a client's values and goals, we can apply the toolkit that is most effective. But it always starts with an intentional plan.

Q: What do you mean by intentional?

Jeanne: By "intentional" I mean probing deeper into what you value so that your life can fully reflect who you are and what you want to accomplish. I think most of us know what we value in life. Often, it is our spouse, our children, the organizations and communities we're a part of. But most of us don't ask these very important follow-up questions: Who are the people we trust? What are our wishes for after we're gone? What do I want for my partner, for our children, for my community? What is my legacy?

Having an objective outsider guiding you through this process can be very helpful. I start by exploring with you the answers to some key questions. Only you (and your partner) can answer these questions. Not me, not your attorney, not your accountant. I often suggest that clients find a quiet place and time, perhaps with a cup of cider in hand, perhaps in the company of their spouse, to sit down and explore the answers.

Over the years, I have seen how life-affirming and empowering answering these questions can be. I believe it's important for your loved ones to be part of this conversation so they know your wishes and can help carry them out. Also, so they can have the opportunity to ask questions and really understand your intent.

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Q: What do you spend most of your time on?

Jeanne: A large part of my work involves getting to know our clients and their families – their needs, concerns and aspirations. That’s the only way I can give advice that is going to work well for years to come. The other main component of my job is administering trusts.

Basically, a trust is a legal document that now or in the future cordons off a certain portion of your assets for safekeeping for the benefit of certain people or nonprofits. This allows you to strengthen the people and causes you care about most by providing them with funding for specific purposes. It’s interesting to me that the word “trust” comes from the old Norwegian word for “to make strong and safe.”

Q: Why do people set up trusts?

Jeanne: A trust allows you to be intentional about what you want to accomplish with your wealth in a very private and controlled way. Trusts can limit distributions to beneficiaries to very specific purposes, or they can be more lenient about the use of funds. Trusts can also be used to strategically fund a favorite charity, provide a tax-planning vehicle, or care for a beneficiary with special needs.

Q: What are the key differences between a trust and a will?

Jeanne: A will becomes a public document upon death, because it’s filed with the Court; anyone can then access a will through the electronic court-records system. Everything in a trust, by contrast, remains private. Because it doesn’t go through probate, a trust also avoids the costs (both in time and money) of that process. Thirdly, a trust can operate during one’s life and be especially valuable during times of disability. A will doesn’t have any affect until after death.

Q: Why do trusts seem so mysterious and overwhelming?

Jeanne: I think that’s due to misconceptions. Many people think that you must lose control over assets when you put them in a trust. Or that trusts are only for the wealthy. But those things are not necessarily true.

Trusts can be as nimble and flexible — or as rigid — as you want them to be. If you want to keep control of your assets or to make changes in the future, you can set up a “revocable” trust, which can be changed or revoked at any time during your life. Or include language that allows certain components of the trust to be changed. If you don’t want to commit assets right away, you can set up a trust that is funded after death.

There are many different options when it comes to trust structure. So we sit down with clients to fully explore their aspirations, as well as their finances, before suggesting what type of trust(s) would work best for their situation. A trust document can’t anticipate everything. It should provide enough direction, however, so that the person deciding on distributions can “stand in the shoes” of the person who created the trust.

STEP ONE...Some key questions from Jeanne

- Who are the people and organizations I (we) care about most?
- Who do I trust to care for me? My partner? My assets? My minor children?
- How important are tax savings to me?
- How much control do I want over my assets — during my life and after I’m gone?
- What unique assets do I own (business, collections, real estate) that I would like to plan for separately?



Q: When's the best time to set up a trust?

Jeanne: Actually, there's no specific time and it is never too early to start. A Revocable Trust (a trust during life) or a Trust Under Will (a trust that is funded at death) are components of a good overall estate plan. Both of these trust types are components of a good overall estate plan, which should also include a financial power of attorney and various types of healthcare directives.

Q: What kind of assets can you transfer to a trust?

Jeanne: Virtually any asset can be transferred to a trust – not just stocks, bonds and financial portfolios. For example, you can transfer ownership of your home, an art collection, a farm, or the family business. A trust can be a vehicle that facilitates the transition of ownership from one group of owners to the next in a tax-efficient way.

Q: Jeanne, you're involved with many local non-profits. What role can philanthropy play in trust creation?

Jeanne: Non-profits can be the beneficiaries of trusts. The trust can then facilitate tax planning and estate planning while also providing a much-needed income stream to non-profits and charities. In certain cases, what remains in the trust after a certain period can pass to another set of beneficiaries.

Q: Can you give us an example?

Jeanne: Sure. Let's consider a Charitable Lead Trust (CLT). For a specified period, a charity is the beneficiary, receiving annual payouts as the fund assets are invested. At the end of that time, family members (or others) would receive all that remains in the trust, on and beyond the "hurdle rate" of return: now just 1.6% annually. The assets in the trust would not count as part of the trust creator's estate and no gift taxes would be owed on the assets that eventually go to the final beneficiaries. Keep in mind that the "hurdle rate" varies. When interest rates are low, as they are now, Charitable Lead Trusts in particular are favorable.

Q: What do you enjoy about working at LNWM?

Jeanne: For me, this is an ideal place to work because of the personal integrity of the people here, the respect they command in the community, and the world-class expertise we offer clients.

LNWM was actually founded as a trust company and is one of the oldest in Washington State. So there is a lot of institutional knowledge here about trusts, their role in intergenerational wealth transfer, how to make them work for everyone involved, how to promote family harmony, how to create legacy, but in a manner that is effective and efficient in terms of tax planning and estate planning.

We not only help clients explore whether a trust is right for them, we also manage the assets within the trust, and we often act as the "trustee," looking after both the beneficiaries and the trust assets. It's very fulfilling to be able to draw on the high level of trust expertise here, which I don't believe is to be found elsewhere in our region. ■

Charitable Lead Trust in action

Jacqueline Kennedy Onassis had arranged that upon her death (1994) her estate would be transferred to a Charitable Lead Trust (CLT) set up to last 24 years, all that time distributing money to charity annually. Two years from now – in 2018 — whatever is left in that CLT will be distributed to her grandchildren.



ABOUT THE AUTHOR

JEANNE GOUSSEV is managing director of fiduciary services at Laird Norton Wealth Management. Bringing to her work nearly two decades of experience in trusts and wealth planning, Jeanne oversees LNWM's fiduciary team and manages our largest trust relationships. She is frequently sought out for her expertise on a wide variety of estate, philanthropic and tax planning matters. She is passionate about working at LNWM and the alignment between advising multiple generations within families on behalf of a firm that has been family owned for nearly 50 years.

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