

We at Great Plains Trust Company hope that you and your families are safe and well. We are monitoring the COVID-19 situation and we are mindful of our employees' and clients' health. We will continue to maintain GPTC's commitments to you.

Top Five Estate Planning Mistakes

Estate-planning is one of the most important things you can do to prepare your family for the future. Mistakes in your plan, however, can lead to major problems down the road. The following is a list of five common mistakes and ways to avoid them:

1. No Plan

"By failing to prepare, you are preparing to fail." – Benjamin Franklin

A good plan does far more than determine who gets what at death. First, it can ensure that your health, family and finances are taken care of if you become unable to care for them yourself. This can happen due to incapacity or disability and be resolved through estate-planning tools such as guardianship, healthcare directives and powers of attorney.

A good plan can also protect your assets from creditors and legal claims, such as divorce or lawsuits, and significantly reduce taxes to your estate. It can also be used to resolve specific needs or concerns, such as caring for a loved one with special needs. Finally, the right estate plan can keep your assets out of probate; this is no small feat

as probate can lead to a series of frustrations and tie up your estate for years.

In short, a good estate plan can prevent serious problems for your loved ones and also be critical to preserving family harmony. Failure to have one can be a major mistake.

*"By failing to prepare, you are preparing to fail."
Benjamin Franklin*

2. The Wrong Plan.

Unfortunately, estate-planning is not "one-size-fits-all." You need to work with your attorney to tailor one specific to your family, assets and overall situation. The wrong plan can lead to probate, problem claims and disastrous tax bills, among other things.

3. Poor Execution.

"Good planning without good working is nothing." –Dwight Eisenhower

Once you have a plan, you should work carefully with your attorney to make sure you carry it out correctly. You should follow your attorney's post-plan

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Year-End Retirement Planning Reminders

- As a reminder, GPTC can work with retiring or terminated plan participants to arrange rollovers to new IRAs. Plan sponsors should contact their account executive for assistance.
- Deferrals to 401(k) plans for 2020 must be initiated by December 31st; however, due to some payroll cycles, funds may not reach plans until 2021. The maximum deferral amount for 2020 is \$19,500 (\$26,000 if age 50 or over).
- The IRS has waived the RMD requirement for 2020. However, if you would still like to receive a distribution in 2020, please contact us at 913-831-7999 or email marsha@greatplainstrust.com.

Are UTMA accounts the best way to leave assets to minor kids/grandkids?

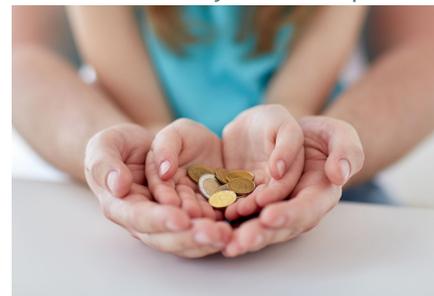
Most parents want to pass on their assets to their children after they are gone, and many grandparents, aunts, uncles and other relatives often want to leave assets to their grandchildren, nieces and nephews. However, if the child who is inheriting the assets is still a minor, he or she is not able to receive the asset directly until he or she has at least reached the age of majority (18 or 21, depending on the state). There are a few ways an inheritance for a minor may be accomplished.

First, the parent/grandparent may name the minor child in their will or trust documents. If the child's parents are both deceased, the court will appoint a guardian for the child who will manage the assets under court supervision until the child reaches the age of majority. If the child's parents are still living and the inheritance is from another relative, the parent will manage the assets while the child is a minor. In either case, the child is entitled to receive the entire inheritance once he/she reaches the age of majority.

Some people provide in their will or trust that the child is to receive the money in a custodial account established under the Uniform Transfers to Minors Act ("UTMA"). The account is set up at a bank or other financial institution, and a custodian for the account is named. However, many custodians, particularly if he or she is a parent, fail to realize that they have a duty to transfer the entire account to the child once he or she reaches the age of majority (again, 18 or 21, depending on the state). If the

account has a large balance, the parent may be reluctant to give control of the account to the child at this relatively young age. If control is not turned over, the child is entitled to bring a legal action against the custodian to force the transfer, and, if the custodian is taking distributions from the account in his or her own name, he/she will be required to provide evidence the money was used for the benefit of the minor or could face legal consequences if he cannot.

If the parent, grandparent or other relative wants to leave assets to a minor child and also wants to be sure that the child does not have complete control of the asset until he or she is 25 or 30 years old (or older), then the best way to accomplish



this objective is to establish a trust that will provide how and when the child can have access to the money. If a trust is used, the access to the money can be restricted until an age determined by the party establishing the trust or can even be restricted during the entire life of the child.

If you are thinking about leaving money to a minor child after your death, you should carefully consider which option will best accomplish your objectives. ❖

Sign up for Online Statements

With the current situation of COVID-19, consider switching your paper statements to online statements to ensure there is never an interruption or delay in receiving them. Along with saving paper, online statements are received more quickly and can be downloaded, saved, or printed at home. Please contact your Account Executive or email us at: trustops@greatplainstrust.com.

If you are still receiving paper trade advices in the mail, please consider turning those off and signing up for online account services. On Trust Reporter you are able to view activity on a daily basis as well as view current holdings and account statements.

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instructions and check the titles to your assets to make sure that that they coincide with your plan.

If your plan includes a living trust, for example, your attorney may direct you to title assets to the trust in order to prevent probate. IRAs and other employee benefit plans generally cannot be transferred to a trust during life. However, if you name the right primary and contingent beneficiaries, including a spouse or trust, for example, you can still successfully avoid probate.

Beneficiary designations are also very important. Assets, including accounts, which include beneficiary designations should pass directly to the named beneficiary at the owner's death. Accounts without a beneficiary designation will generally require probate. Assets titled as JTROS (Joint Tenants with Rights of Survivorship) will pass to the survivor at death of the first owner. However, they may be subject to probate on death of the second if no beneficiaries are listed.

4. The Wrong Executors.

Think carefully about who you choose to serve as your agents,

executors and trustees. What may work for one family may not work for another. Potential problems include 1) leaving one family member with too much responsibility, such as serving as trustee for multiple trusts, 2) having one child serve as trustee over another child's trust, 3) having one individual handle both custody and funds for a minor child, and 4) delegating decisions that are beyond the ability or expertise of the individual chosen. Naming Great Plains Trust Company as your Corporate Trustee can be the solution to many potential problems and can also go a long way toward protecting family peace.

5. Failure to Adapt and Update.

"The measure of intelligence is the ability to change." – Albert Einstein.

Once your estate plan has been prepared, be sure to keep it up-to-date. Many attorneys recommend revisiting an estate plan every few years or so. However, changes in your family, the law, or other circumstances could warrant a meeting with your attorney sooner.

The SECURE Act, effective January 1, 2020, is an example of a recent change in Federal law which could require changes to some estate plans. As discussed in our earlier newsletters, the law involves changes to the time-frame during which certain IRA beneficiaries must receive their distributions. This could create problems when the IRA beneficiary is a trust. Therefore, if any of your IRA beneficiary designations include a trust, you should check with your attorney to ensure that your estate plan still works.

When you make changes to your plan, be sure to follow your attorney's instructions for destroying your old documents, retitling assets and updating beneficiary designations. It is important to make sure that your titles and beneficiary designations coincide with your most recent estate-planning documents. If you hire new counsel, make sure that he/she knows about any old estate-planning documents which still exist. Your end result should be one clear plan, not confusion as to what the plan is. ❖

September 30, 2020 Market Performance YTD



Source: Yahoo!Finance

GREAT PLAINS

Trust and Asset Management

When you work with Great Plains, you're putting your wealth in the hands of real professionals, not just some algorithm. Real people who have built real wealth. Real businesses. Not just for our customers, but for ourselves. We know firsthand the hopes, fears, ambitions and challenges that individuals and small business owners in Kansas City and nationwide face. It's what makes Great Plains the first name in wealth management. And it's always on a first-name basis.



OUR MISSION STATEMENT

To be a premier provider of investment and trust services to the business owner and high net worth/income individual. We shall deliver responsive, reliable and informed service combined with a commitment to achieve superior long-term investment returns for our customers. We shall at all times deal honestly and respectfully with all clients and associates.

CONTACT US

CORPORATE HEADQUARTERS

7700 Shawnee Mission Parkway, Suite 101
Overland Park, KS 66202
P 913.831.7999 | TF 888.529.2776 | F 913.831.0007
info@greatplainstrust.com

ATLANTIC REGION TRUST SERVICE OFFICE

Charleston, SC | 843.883.7410

GREAT PLAINS TRUST OF SOUTH DAKOTA

Sioux Falls, SD | 605.271.5141

greatplainstrust.com