

# **Sample Summary of George Harrison's Will**

This article by article explanation is a brief summary of the provisions of your Will.

Your Will begins with a declaration that this is your Will and a statement revoking any prior Wills.

## **Article One Family Information**

Article One contains information about family members or other persons important to you.

## **Article Two Specific and General Gifts**

You have made a specific distribution of your personal residence to your wife.

Article Two includes provisions for you to use a written memorandum to provide for the distribution of tangible personal property. If you decide to use a written memorandum for this purpose it must be signed and dated by you. It should list the items of tangible personal property designating who is to receive such property. Your Estate Planning Portfolio includes a form for you to use to create such a written memorandum.

Should you leave multiple written memoranda, the last dated memorandum shall control as to any items that are in conflict. If the writing is not legally binding, you specifically request that your Personal Representative follows your wishes and distribute your tangible personal property in accordance with such memorandum.

You have instructed your Personal Representative to distribute any tangible personal property not disposed of by a written memorandum to your wife, if she is alive. If she is not alive, your Personal Representative is instructed to distribute the property to your living children to be divided among your children, as they shall agree. In the event your children do not agree the Personal Representative shall make the division. The Personal Representative, whose decision will be final and binding, may use a lottery or rotation system to determine the order of selection and distribution of any such property, or may

otherwise allocate and distribute the same. As an alternative, the Personal Representative may sell any such property and distribute the net proceeds equally among your children. A provision is included protecting your Personal Representative from liability for decisions your Personal Representative makes in resolving disputes among the beneficiaries or in making a decision to sell any of your personal property.

## **Article Three My Residuary Estate**

Your remaining property is referred to as your “residuary estate.”

If your wife has predeceased you, your residuary estate will be administered as provided in Article Six.

If your wife survives you, your residuary estate will be administered as provided in Article Four. If your Personal Representative determines it would be advisable for estate tax purposes, a portion of your residuary estate will be allocated to the Non-Marital Share. It is important to note that if your wife is serving as Personal Representative, another individual must make this determination.

The Non-Marital Share will be administered as provided in Article Five.

This technique allows your Personal Representative to wait until up to 15 months after your death to determine what portion if any of the remaining trust property should be allocated to the Non-Marital Share.

## **Article Four The Marital Trust**

The Marital Trust is commonly referred to as a “QTIP Trust.”

While your wife is alive, she receives all of the net income of the Marital Trust. Your Trustee shall also distribute as much of the principal of the Marital Trust to your wife as your Trustee deems necessary or advisable.

Your wife has what is called a limited power of appointment. This power allows her to direct how any property in the Marital Trust at the time of her death is to be distributed among your descendants.

Upon the death of your wife, to the extent your wife has not exercised the power of appointment, the property remaining in the Marital Trust will be administered and distributed as provided in Article Six.

## **Article Five The Family Trust**

The Family Trust is commonly referred to as a “Bypass or Credit-Shelter Trust” because the property in the Family Trust will not be included in your wife’s estate for federal estate tax purposes.

The purpose of the George Harrison Family Trust is to make the income and assets of the trust available for the benefit of your wife as well as that of your descendants.

Your wife has what is called a limited power of appointment. This power allows her to direct how any remaining property of the Family Trust is to be distributed among your descendants.

To the extent your wife has not exercised the limited power of appointment, the unappointed balance of the Family Trust will be administered and distributed as provided in Article Six.

## **Article Six My Descendants' Trusts**

Article Six contains provisions for the administration of your descendants’ trusts.

The Trustee shall divide the remaining property into separate trusts for your children. If a child is deceased, that child’s share will be divided into shares for the child’s descendants.

Your Trustee may distribute the income and principal of a child’s trust to the child for the child’s needs.

Upon a child’s death, the child has a power of appointment to decide how any remaining property is to be distributed. If a child does not exercise this power of appointment, any property remaining in that child’s trust will be distributed to the child’s descendants in separate trusts. If the child has no descendants, the balance of the trust property will be

distributed to your descendants in separate trusts. If you have no descendants, the balance of the trust property will be distributed as provided in Article Seven.

## **Article Seven Remote Contingent Distribution**

In the unlikely event that there is no one identified to receive a final distribution of any portion of your estate, one-half of the property will be distributed to those persons who would have inherited it if you had died without an estate plan and one-half to those persons who would have inherited it had your wife died without an estate plan.

## **Article Eight Designation of Fiduciaries**

Article Eight contains provisions for the designation of your Fiduciaries. Your Personal Representative carries out the administration of your probate estate. Your Trustee administers your testamentary trusts for your beneficiaries pursuant to your instructions.

The naming of your Fiduciaries is a very personal and important issue. After all, your Fiduciaries must carry out your instructions. You should review the provisions of Article Eight frequently, to make sure they are consistent with your current wishes.

Upon your death, the following shall serve as Personal Representative, in the order named:

If there is a need for an independent Personal Representative to make the election not to qualify a portion of the Marital Trust for the QTIP election, a provision is included for the appointment of a special or substitute Personal Representative to make the election.

## **Article Nine Trust Administration Provisions**

Article Nine contains provisions to insure the efficient administration of any trusts created under your will in a manner consistent with your wishes. This includes provisions for your trust to be administered free of court intervention; freeing your

Trustee from the costly requirement of obtaining a surety bond; entitling your Trustee to reasonable compensation; and making sure your Trustee won't be wrongfully sued when carrying out your intent.

Provisions governing removal and appointment of Trustees of any testamentary trusts created under your will are also set forth in this Article.

Article Nine also describes how Trustee vacancies are filled in the event there is no successor Trustee named in the agreement.

Any individual Trustee may appoint a Cotrustee. An individual Trustee may want to appoint a Cotrustee if the responsibilities of serving as Trustee are too burdensome.

If there is a need for an independent Trustee for any specific purpose, a provision is included allowing a Trustee to appoint a special or substitute Trustee for that purpose.

If any trust created after your death becomes so small that it no longer makes economic sense to administer it, the Trustee may terminate the trust and distribute the remaining property to the beneficiary then entitled to income. There is also a provision to protect the assets of a trust from a beneficiary's creditors. How effective this clause is will depend upon state law.

To insure that trusts created after your death are not invalid for violating a state's rule against perpetual trusts, there is a provision specifying the maximum term a trust can exist.

In order to allow assets to remain in retirement plans as long as possible, Article Nine includes a provision that estate claims shall not be paid from or allocated to any retirement plan assets that become part of your probate estate as a result of your death.

It is not uncommon for the Marital Trust to be designated as beneficiary of retirement plans. Article Nine contains provisions to insure that your Trustee has the right to receive distributions from retirement plans as well as the right to make any necessary elections.

Article Nine also contains provisions instructing your Trustee to administer a trust designated as a beneficiary of any retirement plan benefits as a "conduit trust" requiring your Trustee to immediately distribute the minimum required retirement plan distributions to the beneficiaries of the trust. This allows the trust to qualify as a designated beneficiary of the retirement plan for determining the amount of the required minimum distributions.

Your Trustee must provide an annual accounting to the income beneficiaries.

Your Trustee is granted the authority to divide any trust into separate shares for generation-skipping transfer tax purposes. Your Trustee may find it advisable to exercise

this authority to divide a trust into exempt and nonexempt shares insure that one share is totally exempt for generation-skipping transfer tax.

## **Article Ten General Administrative Provisions**

Article Ten contains provisions to insure the efficient administration of your estate in a manner consistent with your wishes.

Your Fiduciaries have the right to employ other professionals such as accountants, attorneys and investment advisors to make sure your estate and any trusts created under your will are properly managed. For convenience, one Fiduciary may delegate authority to another Fiduciary.

Your will provides your Personal Representative or the Trustee of any trust created under your will with various distribution options when property would otherwise be distributed to an individual who is under the age of 21, incapacitated or otherwise unable to manage the property. These options include distributing the property to the individual's legal representative or holding the property in trust.

Article Ten also includes provisions for a "stand by" special needs trust that only applies if a beneficiary, at the time of a distribution, is receiving or applying for needs-based government benefits.

## **Article Eleven Powers of My Fiduciaries**

Article Eleven contains provisions granting your Fiduciaries investment and administrative powers necessary to insure that your estate and any trusts created after your death can be administered according to your wishes.

## **Article Twelve Provisions for Payment of Taxes**

Your death ends your tax year and begins the administration of your probate estate. Probate is the process of gathering all of your assets, paying your debts and taxes and then distributing your property pursuant to the instructions contained in your will.

Article Twelve contains the instructions for the payment of estate, inheritance and succession taxes payable by reason of your death, whether or not such property passes under your will.

In order to allow assets to remain in retirement plans as long as possible, Article Twelve includes a provision that death taxes shall not be paid from or allocated to any retirement plan assets that become part of your probate estate as a result of your death.

## **Article Thirteen Definitions and General Provisions**

Article Thirteen contains various miscellaneous provisions as well as definitions for various terms used throughout your will.

There is a provision designed to insure that beneficiaries will not try to defeat your intent by attacking your will. Basically a beneficiary stands to lose all rights to distributions from your will if the beneficiary contests any provisions of your will.