

Score for this quiz: 92 out of 100
Submitted May 4 at 8:23pm
This attempt took 113 minutes.

Question 1
16 / 20 pts

Estate Planning (Scenario 1):

Fred Flintstone wants to leave a large sum of money and other property to his only child, Larry. Larry is known as Larry “Living Large” Flintstone, and with good reason. Larry spends his money as quickly as he gets it. He never saves any money and doesn’t manage his money at all. Larry is always broke well before the next payday. Fred loves his son, but recognizes his failings in financial management and financial decisionmaking. Fred has a very trustworthy younger brother named Wally who is closer in age to Larry than he is to Fred. Wally is very close to Fred and to his nephew Larry. Fred wants Wally to be in charge of Larry’s money.

Fred’s attorney suggests that Fred set up a Trust for his son Larry. Fred agrees it would be a good idea.

Questions: 20 points total: 4 points possible per question

1. **Who are the parties to the Trust and what are their titles? (give each individual's name and title.)**
2. **What kind of trust should Fred set up for Larry to protect Larry from his terrible spending habits and to keep Larry's creditors from collecting Larry's debts from the trust?**
3. **Who takes legal title to the property? (name person and his title)**
4. **Who takes equitable title to the property? (name person and his title)**
5. **What is the name for the property in the trust?**

Your Answer:

1. The parties of the Trust are:
 1. Settlor: Fred Flintstone
 2. Trustee: Wally
 3. Beneficiary: Larry
2. A Living Trust should be set up.
3. The legal title is the Trustee: Wally
4. The equitable title to the property is the Beneficiary: Larry
5. The name for the property in the trust is the Principal.

Question 2
20 / 20 pts

Estate Administration (Scenario 2):

Peter Pauper died intestate leaving a wife and their 2 minor children and a mountain of debt. Peter's estate has two bank accounts, a checking account in his name only with \$2,000.00 in it and a savings account with \$15,000.00 in it. He also owned a pickup truck titled in his name only. It has a value of about \$10,000.00.

Peter Pauper has credit card debt totaling \$45,000.00 and final medical expenses totaling about \$3,000.00.

Peter's wife is his sole heir, but those debts are enormous. They exceed the value of his estate. What rights does Peter Pauper's wife have to any of his estate under Virginia law?

(20 points possible)

1. In Virginia, can Peter's wife claim anything from the estate for herself and her children that take priority over Peter's debts? (Yes or No) [2 points]

2. Give the specific name(s) of the right(s) or claim(s) and the potential dollar values for each. [9 points]

3. What Virginia Code Sections authorize and describe the claims? [9 points]

Your Answer:

1. Yes
2. Family Allowance, Exempt Personal Property, and the Homestead Allowance can be used.
 1. Family Allowance: Court-ordered allowance for his minor children and his wife. This is used for probate property. You can receive up to \$24,000 with periodic installment to not exceed \$2,000. The Code of Virginia § 64.2-309.
 2. Exempt Personal Property: The wife domiciled with property in the Commonwealth can receive up to \$20,000. It is the right to retain against creditor claims certain personal property. If no spouse, minors can receive it, the decedent's children. The Code of Virginia § 64.2-310.
 3. Homestead Allowance: The wife with domiciled property in the Commonwealth can receive a homestead allowance up to \$20,000. If no spouse, minors can receive it if decedent's children. If minors, the money must be divided by the number of minor children. This allowance has priority over all claims of the estate except the allowance of the family and exempted property. This allows the family to stay in the residence during the estate administration and is in lieu of share passing or by succession intestate. The Code of Virginia § 64.2-311
3. See above.

Question 3

20 / 20 pts

Estate Administration (Scenario 3): *NOTE* You must refer to Chapter about What happens if Circumstances Change After a Will is Written

Dame Lotta Wealth died a very wealthy woman. She was a resident of and domiciled in Virginia. She had no spouse or children. She had 3 brothers and 1 sister, Gina. Dame Lotta does not like her brothers and does not want them to inherit anything from her. (20 points: 4 points possible for each question)

A. Lotta's Last Will and Testament had many specific bequests including a \$500,000.00 bequest to her sister Gina. Gina died before Lotta died. Gina is survived by her husband and 2 adult children.

1. **What type of statute will minimize the effects of a legacy left to someone who predeceased the testator/testatrix (maker of the will). This statute would apply to bequest to Gina)**
2. **Who receives the bequest under this kind of statute if the named legatee in the Will predeceased the testator?**

B. Lotta left her grandfather clock to her friend George who collects clocks. She did not leave any other property to George. No one can find the grandfather clock among Lotta's possessions. It seems to no longer exist.

3. **What happens to the specific bequest Lotta made to George?**
4. **What does George receive from Lotta's estate?**

C. In all of her efforts to leave gifts to her friends and certain relatives, Lotta forgot to include a residuary clause in her Will. Among her estate's assets when she died are 6 Certificates of Deposit held in 4 different banks that were not mentioned or gifted to anyone in her will. The combined value of the CDs is \$250,000.00.

5. **How and to whom are the CDs distributed?**

Your Answer:

1. The Anti-Lapse statute will minimize effects on legacy.
2. The bequest will be given to the two adult children. Each adult child will receive \$250,000
3. Ademption by Extinction statute is what I believe is the correct answer! The gift is revoked/withdrawn.
4. George will receive nothing.
5. The combined CD distribution will distribute intestate through course of descents generally; right of Commonwealth if no other heir. The Virginia Code §64.2-200.

Question 4

20 / 25 pts

Estate Planning with Advance Directives (Scenario 4):

Denise and Donald are husband and wife. They each recently had a Last Will and Testament drawn up by their attorney. Their attorney suggested they should execute some advance directives to make sure their finances and health care can be managed by someone they trust if they become unable to do so because of accident injury or illness. Attorney also advised that they should make a declaration of their wishes about end of life medical care. (25 points: 5 points possible per question)

1. **What advance directive should Denise and Donald each have for managing their finances?**
2. **What advance directive or part of an advance directive should they have to appoint someone to make their medical decisions if they are unable to do so? This may be part of a larger document, but you must name the document or part of it that appoints a specific person or persons to make medical decisions.**
3. **What document or part of a document should they have to express their wishes for end of life medical care and treatment? This may be part of a larger document, but you must name the document or part of it that expresses the wishes for end of life medical care.**
4. **What document should they each have to allow someone to access their medical records even if they are not incapacitated?**
5. **What comprehensive estate planning document might Denise and Donald choose to include management of their property and finances now and later in life if they become incapacitated and to avoid probate after they die?**

Your Answer:

1. The Advance Directive they should use for their finances is a Durable Power of Attorney for Financial Affairs
2. The Advance Medical Directive they should use for medical decisions is a Medical Power of Attorney.
3. The document to express their wishes at the end of life is a Natural Death Declaration.
4. The document to express their wishes to access medical records even though they may still be in capacity is the health care and HIPPA Authorization.
5. The comprehensive estate planning document they should use for their property and finances later in life is a Living Will.

An Advance Medical Directive as a whole can include the Natural Death Act Declaration, Living Will, and Medical Power of Attorney for medical decision making.

Question 5

3 / 3 pts

27. Assume the husband of a married couple dies owning assets with a total value of more than 20 million dollars. He leaves everything to his Wife. How much of his estate will be subject to estate tax?

- A. 25 percent
- B. 40 percent
- C. 0 percent
- D. 33 percent

Your Answer:

Due to the marriage deduction, the wife will not pay anything. The answer is C.

Question 6

3 / 3 pts

A federal estate tax return is filed on what IRS Form?

What is the largest value of an estate a decedent can have in 2023 without requiring filing of a federal estate tax return?

Your Answer:

IRS federal estate tax form 706 must be used. The total amount the gross estate must be over \$12.29 million per person in 2023. Money over that amount will be taxed.

Question 7

4 / 5 pts

1. When can the Agent (attorney-in-fact) appointed in an advance directive to manage someone's finances begin to use his or her authority if the document does NOT contain Springing Provisions?

2. When can the Agent (attorney-in-fact) appointed in an advance directive for medical care begin to make medical decisions for the person who appointed him or her?

Your Answer:

1. An Agent appointed can begin to manage finances when Durable Power of Attorney for Financial Matters is completed. It needs to include the magic words of "Survives Principals Incapacity." It can be used after the final signing of the document.
2. An Agent appointed can use the Medical Power of Attorney after it is completed being written up and signed and when it is certified by two medical professionals. This document is only used when a person is incapable of making or communication their wishes. Two medical professionals must sign off the certification before this instrument can be used.

Question 8

3 / 3 pts

Name 3 causes (reasons) that a court may remove a Trustee of a trust.

Your Answer:

The three reasons a Trustee may be removed from a trust:

1. Breach of trust: Example: Mismanagement of estate
2. Non-capacity: Example: Mentally incapable
3. Insolvency: Example: Bankruptcy

Question 9

1 / 1 pts

Which topic in this course did you find most interesting to learn about this semester?

Your Answer:

The topic I found most interesting (you wrote we need one!) in this course is what happens when you die. I remember the first day of class when you said that we will become familiar with different words such as devise, intestate, trustee, etc. Now I know what you mean! I will never hear the words testate and intestate and not have this, Virginia Code Chapter 64.2, come into my mind! The book talks about how many people in the United States have no legal document prepared for when they die, and now I know the significance of dying intestate. I am currently updating my last wishes with the knowledge I obtained in this class. It has been so helpful to me. I really cannot write the most interesting thing I learned in this class because it has all been interesting to me. A great learning experience.