

# Index

## **ABATEMENT**

Wills, **4:418- 4:421**

## **ABSENCE OR PRESENCE**

Medical power of attorney,  
procedures in event of absence  
of, **9:63**

## **ACCEPTANCE**

Disclaimers. See index heading  
DISCLAIMERS  
Durable power of attorney, **9:45**  
Trust, acceptance of  
general discussion, **5:171- 5:176**  
for detailed treatment see index  
heading TRUSTS  
Wills, acceptance of benefits, **4:529**

## **ACCOUNTANTS**

Family limited partnerships,  
importance of partnership CPA,  
**13:54**

## **ACCOUNTING**

Trusts  
general discussion, **5:211- 5:236**  
for detailed treatment see index  
heading TRUSTS

## **ACCUMULATIONS**

Income taxation of trusts and estates,  
**7:21**  
Retirement plans and planning,  
**8:228, 8:237**  
Trusts, **5:45, 5:239**

## **ACKNOWLEDGMENTS**

Durable power of attorney, **9:17**

## **ADDICTION**

Wills, **4:513**

## **ADDRESS, USE OF**

Domicile, **1:80**

## **ADEMPTION**

Wills, **4:422- 4:427**

## **ADJUSTED GROSS INCOME**

General discussion, **7:9-7:13**  
For detailed treatment see index  
heading INCOME TAXATION OF  
TRUSTS AND ESTATES

## **ADMINISTRATION**

Elections, administration expenses,  
**15:92**  
Trusts  
general discussion, **5:177- 5:271**  
for detailed treatment see index  
heading TRUSTS

## **ADMINISTRATIVE MATTERS**

Income taxation of trusts and estates,  
**7:71**  
Information gathering and counseling  
of client, **3:61**  
Tax planning, **12:70, 12:300**  
Wills  
general discussion, **4:317- 4:338**  
for detailed treatment see index  
heading WILLS

## **ADOPTED CHILDREN**

Wills, **4:123, 4:390- 4:393**

## **ADULT CHILDREN**

Dispositive planning, **10:135**  
Family limited partnerships (FLP),  
**13:41**

## **ADVANCEMENTS**

Wills, **4:412- 4:417**

## **ADVISORS**

Information gathering and counseling  
of client, **3:14-3:17**

## **AFTER-BORN OR PRETERMITED CHILDREN**

Wills  
general discussion, **4:384- 4:394**  
for detailed treatment see index  
heading WILLS

**AGENTS AND AGENCY**

Trusts, **5:114, 5:379**

**AGE OF PERSON**

Trusts, **5:344, 5:503**

Wills. See index heading **WILLS**

**AGREEMENTS**

See index heading **CONTRACTS AND AGREEMENTS**

**ALCOHOLISM**

Wills, **4:513**

**ALIENS**

Tax planning. See index heading **TAX PLANNING**

**ALLOCATION**

Federal transfer tax. See index heading **FEDERAL TRANSFER TAX SYSTEM**

Retirement plans. See index heading **RETIREMENT PLANS AND PLANNING**

Trusts. See index heading **TRUSTS**

**ALLOWANCES**

Dispositive planning, **10:168**

**ALL SKIP PERSONS**

GST exemption, **12:220**

**ALTERATION**

See index heading **MODIFICATION OR CHANGE**

**ALTERNATE OR SUCCESSOR EXECUTORS**

Wills, **4:155- 4:158**

**ALTERNATE OR SUCCESSOR TRUSTEES**

Wills, **4:201- 4:204**

**ALTERNATE VALUATIONS**

Elections, **15:101**

Federal transfer tax system, **6:157, 6:232**

**ALTERNATIVE LIFESTYLES**

Information gathering and counseling of client, **3:44**

**AMBIGUOUS TERMS**

Dispositive planning, **10:5**

Wills, **4:372- 4:374**

**AMENDMENTS**

Retirement plans. See index heading

**RETIREMENT PLANS AND PLANNING**

**AMORTIZATION**

Income taxation of trusts and estates, **7:13**

**AMOUNT**

Tax planning. See index heading **TAX PLANNING**

Texas transfer tax. See index heading **TEXAS TRANSFER TAX SYSTEM**

**ANATOMICAL GIFTS**

Lifetime planning, **9:95-9:98**

Wills, **4:310**

**ANCILLARY TRUSTEES**

General discussion, **5:430**

Wills, **4:199**

**ANIMALS**

Wills, **4:237**

**ANNUAL EXCLUSION**

Tax planning. See index heading **TAX PLANNING**

**ANNUITIES**

Dispositive planning general discussion, **10:234-10:243**

for detailed treatment see index heading **DISPOSITIVE PLANNING**

Income taxation of trusts and estates, **7:51-7:53**

Retirement plans and planning, **8:213**

**ANNUITY TRUSTS**

General discussion, **5:495, 5:498**

**ANTENUPTIAL AGREEMENTS**

Wills, **4:352**

**ANTI-FREEZE PROVISION**

Federal transfer tax system, **6:241**

**ANTI-HARRISON RULE**

Federal transfer tax system, **6:246**

**ANTI-LAPSE RULE**

Wills, **4:128, 4:129, 4:405, 4:406**

## INDEX

### APPEAL AND REVIEW

Trusts, review of investments by trustee, 5:375  
Wills, 4:530- 4:534

### APPRAISERS

Family limited partnerships, 13:62  
Federal transfer tax system, appraisal fees, 6:122

### ARBITRATION OR MEDIATION

Dispositive planning, 10:15  
Trusts, 5:458, 5:459

### ASSETS

Family limited partnerships, suitability and sufficiency of assets, 13:30-13:38  
Information gathering and counseling of client  
general discussion, 3:19-3:34  
for detailed treatment see index heading INFORMATION GATHERING AND COUNSELING OF CLIENT

### ASSIGNMENTS

Federal transfer tax system, 6:185- 6:189  
Standing to bring will contest, 4:491

### ASSISTANTS

Attorney-client relationship, managing of, 2:10  
Information gathering and counseling of client, 3:6

### “ASSOCIATED IN” EXCEPTION TO GENERAL RULE OF COMPETENCE

Attorney-client relationship, managing of, 2:51

### ATTESTATION

Wills  
general discussion, 4:45- 4:73  
for detailed treatment see index heading WILLS

### ATTORNEY-CLIENT RELATIONSHIP, MANAGING OF

General discussion, 1:90, 2:1-2:93

### ATTORNEY-CLIENT

#### RELATIONSHIP, MANAGING OF—Cont’d

Additional sources and guides for probate attorneys, 2:9  
“Additional study,” implied exception to general rule of competence for, 2:53  
Adverse interests, representation of persons with, 2:19, 2:20  
Assistants, ethical guides for, 2:10  
“Associated in” exception to general rule of competence, 2:51  
Attorneys’ fees

general discussion, 2:65-2:68  
for detailed treatment see index heading ATTORNEYS’ FEES

Basic communications to client, 2:81

Checklist of oversight protections needs, 2:88

Classifying representation agreements for evaluation of, 2:71

Code of Professional Responsibility, 2:6

Coexecutors, fee letter agreement for, 2:75

Communications to client  
general discussion, 2:80-2:82

attorneys’ fees, 2:67  
ethical considerations, 2:56-2:61

Competence. See Ethical considerations, below

Computer technology, impact of, 2:11

Confidential information, disclosure of

general discussion, 2:28-2:35

definition of confidential information, 2:29

exceptions allowing use, 2:32, 2:34

loyalty duty to client, 2:35

other use of, prohibited, 2:31

unprivileged client information, exceptions allowing use of, 2:34

to whom prohibited, 2:30

Conflicts of interest

general discussion, 2:17-2:24

**ATTORNEY-CLIENT  
RELATIONSHIP, MANAGING  
OF—Cont'd**

Conflicts of interest—Cont'd  
 adverse interests, representation of persons with, **2:19, 2:20**  
 another client, no representation where limited by duties to, **2:20**  
 classifying representation agreements for evaluation of, **2:71**  
 exceptions to nonlitigation conflicts, **2:21-2:23**  
 fee letter agreement for coexecutors with conflicts disclosure, **2:75**  
 full disclosure, **2:23**  
 husband and wife, generally, **2:19**  
 informed consent, **2:23**  
 opposing parties to same litigation, no representation of, **2:18**  
 post consent issues, **2:24**  
 related matters litigation, no representation of persons in, **2:19**

Construing new Texas State Disciplinary Rules of Professional Conduct, **2:7**

Continuing the relationship, **2:76-2:79**

Counselor, attorney as, **2:14**

Declining representation letter, **2:78**  
 form of, **2:92**

Definitions  
 competence, **2:47**  
 confidential information, **2:29**

Delaying information, **2:60**

Depression, dealing with, **2:15**

Diligence, duty as to, **2:64**

Disabilities, communicating with clients under, **2:61**

Disclaimers, **15:82**

Disclosure  
 confidential information. See Confidential information, disclosure of, above  
 ethical considerations, general duties owed to nonclient, **2:38**  
 form of fee agreement with disclosure language, **2:91**

**ATTORNEY-CLIENT  
RELATIONSHIP, MANAGING  
OF—Cont'd**

Disclosure—Cont'd  
 full disclosure and informed consent, **2:23**  
 Disinterest claims to unrepresented persons, prohibition against, **2:39**  
 Dispositive planning, **10:16, 10:42**  
 Division of fees between attorneys, **2:73**  
 Emotional issues, dealing with, **2:15**  
 Engagement letter, **2:74**  
 form of, **2:90**  
 Ethical considerations  
 general discussion, **2:17-2:64**  
 "additional study," implied exception to general rule of competence for, **2:53**  
 "associated in" exception to general rule of competence, **2:51**  
 attorneys' fees, **2:68**  
 challenges, **2:2**  
 client, general duties owed by lawyer to, **2:26-2:35**  
 communication with clients, duty as to, **2:56-2:61**  
 competence, generally, **2:46-2:53, 2:55**  
 confidential information. See Confidential information, disclosure of, above

conflicts of interest. See Conflicts of interest, above

defining competence, **2:47**

delaying information, **2:60**

determining competence, **2:48, 2:49**

diligence, duty as to, **2:64**

disabilities, communicating with clients under, **2:61**

disclosure of material facts, general duties owed to nonclient, **2:38**

disinterest claims to unrepresented persons, prohibition against, **2:39**

## INDEX

**ATTORNEY-CLIENT  
RELATIONSHIP, MANAGING  
OF—Cont'd**

Ethical considerations—Cont'd  
exceptions to general rule of competence, **2:50-2:52**  
explanations to client, duty as to, **2:58**  
false statements, general duties owed to nonclient, **2:37**  
file retention, **2:84**  
general duties owed by lawyer, **2:26-2:39**  
implied exception to general rule of competence for "additional study," **2:53**  
independent professional judgment, exercise of, **2:27**  
informing clients, duty as to, **2:57**  
legal assistants, ethical guides for, **2:10**  
"limited emergency" exception to general rule of competence, **2:52**  
multiple clients. See Multiple client representation, below  
nonclient, general duties owed to, **2:37-2:39**  
special estate planning communication issues, **2:59-2:61**  
specialized training, determining competence, **2:49**  
subsequent responsibilities to each client, **2:54-2:61**  
timely performance, **2:62-2:64**  
who is client, **2:25**  
withholding information, **2:60**

Exceptions  
confidential information, exceptions allowing use of, **2:32, 2:34**  
conflicts of interest, **2:21-2:23**  
ethical considerations, exceptions to general rule of competence, **2:50-2:52**  
unprivileged information, exceptions allowing use of, **2:33**

Expectations of today's clients regarding service, **2:13**

**ATTORNEY-CLIENT  
RELATIONSHIP, MANAGING  
OF—Cont'd**

Explanations to client, duty as to, **2:58**  
False statements, general duties owed to nonclient, **2:37**  
Fees. See index heading ATTORNEYS' FEES  
File retention, **2:83-2:85**  
Fixed attorneys' fees, **2:65**  
Formation of attorney-client relationship, **2:72**  
Full disclosure, **2:23**  
Grief, dealing with, **2:15**  
Hourly attorneys' fees, **2:65**  
Husband and wife, generally, **2:19**  
Illegal attorneys' fees, **2:66**  
Implied exception to general rule of competence for "additional study," **2:53**  
Independent professional judgment, exercise of, **2:27**  
Informed consent, **2:23**  
"Intermediary," lawyer as, **2:40-2:42**  
Laches or delay, **2:60**  
Legal assistants, ethical guides for, **2:10**  
Legislature, regulation of attorney conduct, **2:4**  
"Limited emergency" exception to general rule of competence, **2:52**  
Loyalty duty to client, **2:35**  
Malpractice claims, **1:91**  
Multiple client representation  
general discussion, **2:40-2:45**  
common nature of, **2:16**  
estate planning situations, **2:44**  
"intermediary," lawyer as, **2:40-2:42**  
trusts issues, **2:45**  
New Disciplinary Rules of Professional Conduct 1.16, **2:8**  
Nonclient, general duties owed to, **2:37-2:39**  
Oversight and implementation, **2:87-2:89**  
Overview, **2:1-2:3**  
Post consent issues, **2:24**

**ATTORNEY-CLIENT  
RELATIONSHIP, MANAGING  
OF—Cont'd**

Practical challenges, 2:3  
Practical considerations, generally, 2:65-2:89  
Professional responsibility, 1:90-1:92  
Regulation of attorney conduct, 2:4-2:10  
Representation agreements, 2:69-2:71  
Special estate planning communication issues, 2:59-2:61  
Specialized training, determining competence, 2:49  
State Bar of Texas, regulation of attorney conduct, 2:4  
Subsequent responsibilities to each client, 2:54-2:61  
Supreme Court of Texas, regulation of attorney conduct, 2:4  
Technology, impact on modern practice, 2:11  
Terminating or continuing the relationship, 2:76-2:79  
Texas Disciplinary Rules of Professional Conduct, 2:5, 2:7  
Tickler systems and client action reminders, 2:86  
Timely performance, 2:62-2:64  
Tips on keeping clients happy, 2:82  
Trusts. See index heading TRUSTS  
Unconscionable attorneys' fees, 2:66  
Unprivileged client information, exceptions allowing use of, 2:34  
Wills. See index heading WILLS  
Withdrawal from representation letter, 2:79  
form of, 2:93  
Withholding information, ethical considerations, 2:60

**ATTORNEYS' FEES**

General discussion, 2:65-2:68  
Basis for fee, 2:65-2:68  
Coexecutors, fee letter agreement for, 2:75  
Communicating fee to client, 2:67  
Division of fees between attorneys, 2:73

**ATTORNEYS' FEES—Cont'd**

Ethical factors in determining reasonableness, 2:68  
Federal transfer tax system, 6:121  
Fixed fee, 2:65  
Form of fee agreement with disclosure language, 2:91  
Hourly fee, 2:65  
Illegal fee, 2:66  
Unconscionable fee, 2:66

**ATTORNEYS IN FACT**  
See index heading POWER OF ATTORNEY

**BAILMENT**  
Trusts distinguished, 5:112

**BANK ACCOUNTS**  
Dispositive planning. See index heading DISPOSITIVE PLANNING  
Domicile, 1:83

**BANKING TRANSACTIONS**  
Durable power of attorney for, 9:37

**BASIS FOR TAX**  
Carryover basis. See index heading CARRYOVER BASIS  
Federal transfer tax system, 6:76, 6:82  
Income taxation of trusts and estates general discussion, 7:113-7:121  
for detailed treatment see index heading INCOME TAXATION OF TRUSTS AND ESTATES  
Transfer taxation, generally, 6:9-6:12

**BENEFICIARIES**  
Disclaimers, 15:69  
Dispositive planning. See index heading DISPOSITIVE PLANNING  
Income tax. See index heading INCOME TAXATION OF TRUSTS AND ESTATES  
Information. See index heading INFORMATION GATHERING AND COUNSELING OF CLIENT  
Life/accident insurance, form of beneficiary designation for, 3:68  
Retirement plan beneficiary designations, forms of, 8:275, 8:278-8:282

## INDEX

**BENEFICIARIES—Cont'd**  
Tax planning. See index heading **TAX PLANNING**  
Trusts  
    general discussion, **5:441- 5:449**  
    for detailed treatment see index heading **TRUSTS**  
Wills. See index heading **WILLS**

**BEQUESTS**  
Wills  
    general discussion, **4:257- 4:286**  
    for detailed treatment see index heading **WILLS**

**BLENDED FAMILIES**  
Dispositive planning, **10:136-10:141**

**BONDS AND UNDERTAKINGS**  
Durable power of attorney for, **9:36**  
Trusts, **5:355- 5:357**  
Wills. See index heading **WILLS**

**BOOKS AND RECORDS**  
Trustee's keeping of, **5:373**

**BURDEN OF PROOF**  
See index heading **PRESUMPTIONS AND BURDEN OF PROOF**

**BURIAL**  
See index heading **FUNERALS AND FUNERAL EXPENSES**

**BUSINESS AND CONTRACTUAL AGREEMENTS**  
Dispositive planning, **10:170**

**BUSINESS OPERATION TRANSACTIONS**  
Durable power of attorney for, **9:38**

**BUSINESS PLANNING**  
General discussion, **11:1-11:182**  
Buy-sell agreements. See index heading **BUY-SELL AGREEMENTS**  
Choice of entity  
    general discussion, **11:5-11:39**  
    business structures, generally, **11:6-11:14**  
C corporations, **11:9, 11:17**  
corporations, **11:8-11:10, 11:25**

**BUSINESS PLANNING—Cont'd**  
Choice of entity—Cont'd  
    limited liability companies, **11:11, 11:21, 11:26**  
    limited partnerships, **11:14, 11:20, 11:28**  
    partnerships, **11:12-11:14, 11:19, 11:20, 11:27, 11:28**  
    S corporations, **11:10, 11:18**  
    sole proprietorship, **11:7, 11:16, 11:24**  
Closely held businesses. See index heading **CLOSELY HELD BUSINESS OR STOCK**  
Conversions  
    C corporation to S corporation, **11:56**  
    corporation to state law partnership, **11:40-11:55**  
Death, management upon, **11:32-11:34**  
Grantor retained income trusts (GRIT), **11:4**  
Historical background of techniques currently used, **11:1-11:4**  
Management and control, **11:22-11:35**  
Tax considerations, **11:15-11:21**  
Transfer issues  
    general discussion, **1:57, 11:36-11:39**  
    closely held businesses. See index heading **CLOSELY HELD BUSINESS OR STOCK**

**BUSINESS TRANSFER PLANNING**  
Dispositive planning, **1:57**

**BUY-SELL AGREEMENTS**  
General discussion, **11:145-11:182**  
Business planning, **11:145-11:182**  
Federal transfer tax system, **6:245**  
Insurance used to fund, **11:173-11:182**  
Involuntary transfers, **11:166-11:169**  
Price, determining, **11:152-11:157**  
Right of first refusal, **11:157**  
Triggering events, **11:164-11:172**  
Uses for buy-sell agreements, **11:158-11:163**

**BUY-SELL AGREEMENTS—Cont'd**  
Value, requirements to fix value,  
**11:146-11:151**

**BYPASS TRUSTS**  
General discussion, **5:460**  
Credit shelter bypass trust, form of,  
**5:529**  
Dispositive planning. See index heading  
DISPOSITIVE PLANNING  
Retirement plans. See index heading  
RETIREMENT PLANS AND PLANNING  
Tax planning  
general discussion, **12:22-12:45**  
for detailed treatment see index  
heading TAX PLANNING

**CALCULATION OF TAX**  
Federal transfer tax. See index heading  
FEDERAL TRANSFER TAX SYSTEM

**CAPACITY OR INCAPACITY**  
General discussion, **1:73-1:75**  
Presumptions, **1:74**

**CAPITAL GAINS TAX**  
Income taxation of trusts and estates,  
**7:118**  
Retirement plans and planning, **8:33**  
Tax planning, **12:354**

**CARRY-OVER BASIS ON GIFTS**  
Transfer taxation, **6:10**

**CASH DIVIDENDS**  
Wills, **4:271**

**CASH OR MONEY**  
Tax planning. See index heading TAX  
PLANNING  
Trusts, **5:204**

**CEMETERIES**  
See index heading FUNERALS AND  
FUNERAL EXPENSES

**CERCLA**  
Trusts, **5:186, 5:385**

**CERTAINTY AND DEFINITENESS**  
Information gathering and counseling  
of client, **3:12**

**CERTIFICATE OF LIMITED  
PARTNERSHIP**  
Form, **13:64**

**CHALLENGES**  
Lifetime planning, **9:49**

**CHARACTER OF PROPERTY**  
Community property system, **1:48**

**CHARITABLE LEAD ANNUITY  
TRUST**  
Federal transfer tax system, **6:193**

**CHARITABLE REMAINDER  
ANNUITY TRUST**  
Form of, **5:533**

**CHARITIES AND CHARITABLE  
MATTERS**  
Disclaimers, charitable planning,  
**15:40**  
Dispositive planning. See index heading  
DISPOSITIVE PLANNING  
Federal transfer tax system,  
charitable pledges, **6:126**  
Retirement plans. See index heading  
RETIREMENT PLANS AND PLANNING  
Tax planning. See index heading TAX  
PLANNING  
Trusts  
general discussion, **5:492- 5:499**  
for detailed treatment see index  
heading TRUSTS  
Wills, **4:231**

**CHECKLISTS**  
Attorney-client relationship, checklist  
of oversight protections needs,  
**2:88**  
Information gathering. See index  
heading INFORMATION GATHERING  
AND COUNSELING OF CLIENT  
Post-mortem planning, disclaimers,  
**15:106**  
Power of attorney, checklist for prep-  
aration of, **3:67, 9:101**  
Retirement plans. See index heading  
RETIREMENT PLANS AND PLANNING

**CHILDREN**  
Adult children. See index heading  
ADULT CHILDREN

## INDEX

### **CHILDREN—Cont'd**

- Disclaimers, **15:71**
- Dispositive planning
  - general discussion, **10:133-10:146**
  - for detailed treatment see index heading **DISPOSITIVE PLANNING**
- Federal transfer tax. See index heading **FEDERAL TRANSFER TAX SYSTEM**
- Goals of estate planning, **1:11**
- Lifetime planning, **9:87-9:90**
- Retirement plans. See index heading **RETIREMENT PLANS AND PLANNING**
- Tax planning. See index heading **TAX PLANNING**
- Trusts for minors
  - general discussion, **5:501- 5:521**
  - for detailed treatment see index heading **TRUSTS**
- Wills. See index heading **WILLS**

### **CHRONOLOGICALLY PROJECTED CLIENT DECISIONS**

- Information gathering and counseling of client, **3:57-3:61**

### **CITIZENSHIP STATUS**

- Information gathering and counseling of client, **3:45**

### **CLASS AND CLASS GIFTS**

- Wills, **4:238- 4:243, 4:399**

### **CLASSIFICATIONS OF TRUSTS**

- Trusts. See index heading **TRUSTS**

### **CLOSELY HELD BUSINESS OR STOCK**

- Elections, **15:98**
- Long-term payout of estate taxes, **11:129-11:139**
- Qualified family-owned business interests ("QFOBI"), **11:128-11:144**
- Section 303 redemptions, **11:140-11:144**
- Special provisions impacting closely held businesses, generally, **11:128-11:144**
- Tax planning, generally, **12:132, 12:279**

### **CLOSELY HELD BUSINESS OR STOCK—Cont'd**

- Transferring interests in closely held businesses
  - general discussion, **11:64-11:127**
  - annual exclusion gifts, **11:65-11:71**
  - grantor retained annuity trust, **11:72-11:108**
  - sales to defective grantor trusts, **11:109-11:127**
- Trusts as owners
  - general discussion, **11:57-11:63**
  - Crummey defective grantor trust, **11:57-11:60**
  - Crummey trust for individual beneficiary, **11:61**
  - defective grantor trust, **11:57-11:60, 11:63**
  - generation-skipping trust, **11:62**

### **CO-AGENTS**

- Lifetime planning, **9:25**

### **CODE OF PROFESSIONAL RESPONSIBILITY**

- General discussion, **2:6**
- New Disciplinary Rules of Professional Conduct 1.16, **2:8**

### **CODICILS**

- Wills, **4:14, 4:85, 4:449, 4:458**

### **COEXECUTORS**

- Attorney-client relationship, managing of, **2:75**
- Wills, **4:154**

### **COLLECTION**

- Texas inheritance tax. See index heading **TEXAS TRANSFER TAX SYSTEM**

### **COMMINGLING OF PROPERTY**

- Trustee, **5:367, 5:368**

### **COMMON LAW**

- Federal transfer tax system, **6:242, 6:243**
- Trusts, **5:37**
- Wills, **4:12**

### **COMMON USAGE**

- Wills, **4:378**

## COMMUNICATIONS

Attorney-client relationship, managing of  
general discussion, **2:80-2:82**  
for detailed treatment see index  
heading ATTORNEY-CLIENT RELATIONSHIP, MANAGING OF  
Dispositive planning, **10:7, 10:11**

## COMMUNITY PROPERTY SYSTEM

General discussion, **1:31-1:36**  
Character of property, **1:48**  
Conflicts of law principles, **1:47**  
Death, disposition at, **1:33**  
Definitions, **1:32**  
Disclaimers, **15:73**  
Dispositive planning  
general discussion, **10:224-10:232**  
for detailed treatment see index  
heading DISPOSITIVE PLANNING  
Domicile, maintaining or changing, **1:51**  
Forced heirship, **1:49**  
Fraud on spouse doctrine, **1:44**  
Grantor retained annuity trusts, **11:100**  
Interaction between community property and common law states, **1:45-1:51**  
Migrant client considerations, **1:46**  
Probate, descent and distribution, **1:69-1:71**  
Retirement plans. See index heading  
RETIREMENT PLANS AND PLANNING  
Right of survivorship, **1:34**  
Separate property, spousal agreements for, **1:35**  
Tenancy by entirety in other jurisdictions, **1:50**

## COMMUTATION

Tax planning. See index heading TAX PLANNING

## COMPENSATION

Attorneys' fees. See index heading  
ATTORNEYS' FEES  
Trustee, **5:403- 5:405**  
Wills. See index heading WILLS

## COMPETENCE

Attorneys. See index heading  
ATTORNEY-CLIENT RELATIONSHIP,  
MANAGING OF

## COMPLEXITY

Income taxation of trusts and estates  
general discussion, **7:30-7:40**  
for detailed treatment see index  
heading INCOME TAXATION OF  
TRUSTS AND ESTATES  
Trusts, **5:334**

## COMPROMISE AND SETTLEMENT

Trusts, **5:380**

## COMPUTATION OR CALCULATION OF TAX

Federal transfer tax. See index heading  
FEDERAL TRANSFER TAX SYSTEM

## COMPUTER TECHNOLOGY

Attorney-client relationship, managing of, **2:11**

## CONDITIONAL BEQUEST

Wills, **4:251- 4:253**

## CONDITIONAL WILLS

General discussion, **4:351, 4:352,**  
**4:438**

## CONFIDENTIAL INFORMATION

Attorney-client relationship, managing of  
general discussion, **2:28-2:35**  
for detailed treatment see index  
heading ATTORNEY-CLIENT RELATIONSHIP, MANAGING OF  
Trusts, **5:5**

## CONFLICT OF POWERS OR CONSENTS

Lifetime planning, **9:62**

## CONFLICTS OF INTEREST

Attorney-client relationship, managing of  
general discussion, **2:17-2:24**  
for detailed treatment see index  
heading ATTORNEY-CLIENT RELATIONSHIP, MANAGING OF

## INDEX

### CONFLICTS OF INTEREST

#### —Cont'd

Dispositive planning, **10:2-10:16, 10:124**

Trusts. See index heading TRUSTS  
Wills, **4:3- 4:6, 4:151**

### CONFLICTS OF LAW

See index heading GOVERNING AUTHORITY OR LAW

### CONSENT OR APPROVAL

Lifetime planning. See index heading LIFETIME PLANNING

Retirement plans and planning, **8:60- 8:63, 8:147- 8:149**

Trusts, **5:297**

### CONSERVATION EASEMENT

Elections, **15:99**

Federal transfer tax system, **6:112- 6:115**

### CONSIDERATION

Federal transfer tax system, **6:22**

Trusts, **5:160**

### CONSTRUCTION AND INTERPRETATION

Attorney-client relationship, managing of, **2:7**

Lifetime planning. See index heading LIFETIME PLANNING

Texas Disciplinary Rules of Professional Conduct, **3:3**

Trusts, **5:53**

Wills

general discussion, **4:363- 4:380**

for detailed treatment see index heading WILLS

### CONSTRUCTIVE TRUST

General discussion, **5:101**

### CONTESTS

Wills

general discussion, **4:484- 4:534**

for detailed treatment see index heading WILLS

### CONTINGENCY FEES

Executor, **4:179**

### CONTINGENT BENEFICIARIES

Retirement plans. See index heading RETIREMENT PLANS AND PLANNING

### CONTINGENT INTERESTS

Dispositive planning, **10:64, 10:103, 10:230**

### CONTINGENT REMAINDER INTERESTS

Disclaimers, **15:61**

### CONTINGENT TRUST

Wills, **4:234**

### CONTRACTS AND AGREEMENTS

Disclaimers, **15:28**

Family limited partnerships, limited partnership agreement, **13:57**

Trusts. See index heading TRUSTS

Wills. See index heading WILLS

### CONTROLLED SUBSTANCES

See index heading DRUGS AND DRUG ABUSE

### CONVENIENCE ACCOUNTS

Dispositive planning, **10:181**

### CONVEYANCES

See index heading DEEDS AND CONVEYANCES

### CONVICTED FELON

Executor, **4:147**

### CORPORATIONS

Family limited partnerships, corporation as general partner, **13:44- 13:48**

Lifetime planning, **9:6**

Trusts, **5:276, 5:350- 5:352, 5:424, 5:425**

Wills. See index heading WILLS

### COSTS AND EXPENSES

Dispositive planning, **10:31**

Family limited partnerships, cost and administrative burden, **13:47**

Income taxation of trusts and estates, **7:93, 7:97-7:99**

Trusts. See index heading TRUSTS

**COTRUSTEES**

General discussion, **5:13, 5:338, 5:411- 5:413**

**COUNTY CLERK**

Wills. See index heading **WILLS**

**CREDITORS**

Disclaimers, **15:41**

Dispositive planning, **10:166**

Family limited partnerships,  
creditor protection, **13:5, 13:48**  
Information gathering and counseling  
of client, **3:37**

**CREDITS AGAINST TAX**

Federal transfer tax. See index heading **FEDERAL TRANSFER TAX SYSTEM**

**CREDIT SHELTER BYPASS TRUST**

Form of, **4:541, 5:529**

**CRUMMEY PROVISIONS**

Annual exclusion from gift tax,  
**12:152**

Federal transfer tax. See index heading **FEDERAL TRANSFER TAX SYSTEM**

Form of, **5:532**

Trusts, **5:485- 5:490, 11:57-11:61**

**CUSTODIANSHIP**

Family limited partnerships (FLP),  
**13:42**

Trusts for minors, **5:509**

**CY-PRES DOCTRINE**

Wills, **4:361**

**DAMAGE OR DESTRUCTION**

Personal residence trust (PRT) and  
qualified personal residence trust  
(QPRT), **12:340**

**DAMAGES**

Trusts. See index heading **TRUSTS**

**DEATH AND DEATH BENEFITS**

Disclaimers, **15:56**

Family limited partnerships, death of  
general partner, **13:45**

Lifetime planning. See index heading  
**LIFETIME PLANNING**

**DEATH AND DEATH BENEFITS**

—Cont'd

Retirement plans and planning, **8:141**  
Trusts, **5:46, 5:47, 5:135**

**DEATH TAXES**

Disclaimers, **15:29**

Federal transfer tax system, **6:143- 6:146**

Wills

general discussion, **4:327- 4:338**  
for detailed treatment see index  
heading **WILLS**

**DECANT**

Modification of trust

Decanting, judicial modification  
alternative, **5:281**

**DECEIT**

See index heading **FRAUD AND DECEIT**

**DECLARATION**

Domicile, declaration of, **1:81**

Trust, declaration of, **5:151**

Wills. See index heading **WILLS**

**DECLARATORY JUDGMENT**

Closely held business or stock, long-  
term payout of estate taxes,  
**11:137**

Wills, **4:380**

**DEDUCTIONS**

Elections, **15:93-15:95**

Federal transfer tax. See index heading  
**FEDERAL TRANSFER TAX SYSTEM**

Income tax. See index heading

**INCOME TAXATION OF TRUSTS AND  
ESTATES**

Marital deduction of estate tax, pres-  
ervation of, **15:27-15:31**

Tax planning. See index heading **TAX  
PLANNING**

**DEEDS AND CONVEYANCES**

Trusts, **5:451**

**DEEP POCKETS**

Trustee, **5:341**

**DEFAULT**

Wills, **4:305**

## INDEX

### DEFENSES

Wills. See index heading WILLS

### DEFINED BENEFIT PLANS

Information gathering and counseling of client, **3:26**

### DEFINITIONS

Attorneys. See index heading ATTORNEY-CLIENT RELATIONSHIP, MANAGING OF

Disclaimers, **15:5-15:13**

Estate, **1:2**

Federal transfer tax. See index heading FEDERAL TRANSFER TAX SYSTEM

Lifetime planning, **9:16, 9:24**

Tax planning. See index heading TAX PLANNING

Texas transfer tax. See index heading TEXAS TRANSFER TAX SYSTEM

Trusts. See index heading TRUSTS

Wills. See index heading WILLS

### DELEGATION OF DUTIES OR POWERS

Executor, **4:183**

Trustee, **5:372**

### DELIVERY

Disclaimers, **15:49-15:51, 15:74**

Retirement plans and planning, **8:107**

Wills, **4:480, 4:481**

### DEMAND FOR ACCOUNTING

Trusts, **5:212- 5:214**

### DEMONSTRATIVE BEQUESTS

Wills, **4:281**

### DEPENDENT RELATIVE REVOCATION

Wills, **4:470**

### DEPENDENT REPRESENTATIVE, POWERS OF

Wills, **4:180, 4:181, 4:182**

### DEPLETION

Income taxation of trusts and estates, **7:13**

Trusts, **5:233**

### DEPOSITS

Trusts, **5:420**

### DEPRECIATION

Income taxation of trusts and estates, **7:13**

### DEPRESSED VALUE OF PROPERTY

Tax planning. See index heading TAX PLANNING

### DEPRESSION

Attorney-client relationship, managing of, **2:15**

### DESCENT AND DISTRIBUTION

Probate. See index heading PROBATE

### DESCRIPTION

See index heading IDENTIFICATION AND DESCRIPTION

### DESIGNATED BENEFICIARY

Retirement plans. See index heading RETIREMENT PLANS AND PLANNING

### DESTRUCTION

Wills. See index heading LOST OR DESTROYED WILLS

### DEVISES

Wills. See index heading WILLS

### DILIGENCE

Attorney-client relationship, managing of, **2:64**

Trustee, generally, **5:340**

### DIRECTIVES TO PHYSICIANS

Lifetime planning. See index heading LIFETIME PLANNING

### DIRECT SKIPS

Generation-skipping tax (GST), **5:477, 12:381**

### DISABILITY

Attorney-client relationship, managing of, **2:61**

Buy-sell agreements, **11:171**

Dispositive planning, **10:154**

Goals of estate planning, **1:11**

Information gathering and counseling of client, **3:41**

**DISABILITY—Cont'd**Wills, **4:526****DISCHARGE**See index heading **RELEASE OR DIS-  
CHARGE****DISCLAIMERS**General discussion, **15:1-15:90**Acceptance. See **Lack of acceptance  
requirement**, belowAgreement not to probate will, **15:28**Attorneys at law, proper execution  
requirement, **15:82**Attorneys in fact, proper execution  
requirement, **15:81**Avoiding creditors, **15:41**Avoiding state death tax, **15:29**Barred disclaimers, **15:15**Beneficiary serving as fiduciary,  
**15:69**Certain transfers treated as disclaim-  
ers, **15:25**Charitable planning post-death, **15:40**Checklists, **15:106**Community property disclaimers,  
**15:73**Contingent remainder interests, **15:61**Contract or agreement not to probate  
will, **15:28**Creditors, avoidance of, **15:41**Death tax, avoiding of, **15:29**Death transfers, time requirements,  
**15:56**Definitions, **15:5-15:13**Delivery requirements, **15:49-15:51,  
15:74**Disclaimed property, time require-  
ments, **15:59**Effective and qualified disclaimers,  
**15:6-15:14**Employee benefits, **15:36-15:39**Estate tax marital deduction, preser-  
vation of, **15:27-15:31**Execution of instruments. See **Proper  
execution requirement**, belowExecutors, proper execution require-  
ment, **15:83**

Federal requirements

general discussion, **15:43****DISCLAIMERS—Cont'd**Federal requirements—Cont'd  
delivery and receipt requirements,  
**15:50**filing requirement, **15:48**irrevocable requirement, **15:88**lack of acceptance. See **Lack of  
acceptance requirement**,  
belowproper execution. See **Proper exe-  
cution requirement**, below  
time requirements. See **Time  
requirements**, below  
writing requirement, **15:45**Federal transfer tax. See index head-  
ing **FEDERAL TRANSFER TAX SYSTEM**Fiduciaries, generally, **15:69, 15:90**Filing requirements, **15:47, 15:48**Form of, **4:539**Formula amount, spousal disclaimer  
of, **15:33**Full or total disclaimers, **15:17**General disclaimer, form of, **15:107**General power of appointment,  
transfer under, **15:55**Generation-skipping transfer tax  
exemption, utilization of, **15:35**Governing law, **15:2-15:4**Guardian of disclaimant, **15:80**Heirs, proper execution requirement,  
**15:85**Income taxation of trusts and estates,  
**7:83-7:85**Inter vivos transfers, **15:54, 15:60**Intestate succession, spousal  
disclaimer pursuant to, **15:34**IRC section 2518, **15:3**Irrevocable. See **Revocable or irrevo-  
cable**, belowJointly held property, **15:63-15:65,  
15:72**Lack of acceptance requirement  
general discussion, **15:67-15:77**  
beneficiary serving as fiduciary,  
**15:69**community property disclaimers,  
**15:73**delivery, **15:74**federal law, generally, **15:68-15:76**

## INDEX

**DISCLAIMERS—Cont'd**

- Lack of acceptance requirement
  - Cont'd
- fiduciary, beneficiary serving as, **15:69**
- joint tenancy, **15:72**
- minor beneficiaries, **15:71**
- multiple interests, **15:75**
- power of appointment, **15:70**
- residential joint tenancy, **15:72**
- taxes on disclaimed property, payment of, **15:76**
- Texas law, **15:77**
- Life and remainder interests
  - merging of life and remainder interests, **15:31**
    - time requirements, **15:61, 15:62**
- Limited disclaimers, **15:15**
- Marital deduction of estate tax, preservation of, **15:27-15:31**
- Merging life and remainder interests, **15:31**
- Minor beneficiaries, lack of acceptance requirement, **15:71**
- Multiple interests, **15:75**
- Nominal interests, **15:20**
- Nonqualified disclaimers, use of, **15:42**
- Nonseverable interests, failure to partition, **15:24**
- Ordway and subsequent cases, **15:62**
- Partial disclaimers
  - general discussion, **15:18-15:24**
  - form of, **15:109**
- Partition of nonseverable interests, failure as to, **15:24**
- Power of appointment
  - general discussion, **15:22**
  - disclaimers, **15:12**
  - lack of acceptance requirement, **15:70**
    - time requirements, **15:55, 15:57**
- Proper execution requirement
  - general discussion, **15:78-15:86**
  - attorneys at law, **15:82**
  - attorneys in fact, **15:81**
  - executors, **15:83**
  - federal law, generally, **15:79-15:85**

**DISCLAIMERS—Cont'd**

- Proper execution requirement
  - Cont'd
  - guardian of disclaimant, **15:80**
  - heirs, **15:85**
  - Texas law, **15:86**
  - trustees, **15:84**
- QTIP property
  - qualifying trust for, **15:30**
  - time requirements, **15:58**
- Qualified and effective disclaimers, **15:6-15:14**
- Receipt requirements, **15:49-15:51**
- Remainders. See Life and remainder interests, above
- Requirements of disclaimers, generally, **15:43-15:90**
- Residential joint tenancy, **15:72**
- Retirement plans and planning, **8:73-8:76, 8:89, 8:141**
  - form of disclaimer of trust, **8:272**
- Revocable or irrevocable
  - irrevocable requirement, generally, **15:87-15:89**
- Severable property interests, **15:21**
- Special powers of appointment, transfer under, **15:57**
- Taxes, generally, **15:3, 15:27-15:31, 15:35, 15:76**
- Texas Estates Code Chapter 122, **15:4**
- Texas Property Code Chapter 240, **15:7-15:13**
- Time requirements
  - general discussion, **15:52-15:66**
  - contingent remainder interests, **15:61**
    - death, transfer at, **15:56**
    - disclaimed property, **15:59**
    - federal law, generally, **15:53-15:65**
    - general power of appointment, transfer under, **15:55**
    - inter vivos transfers, **15:54, 15:60**
    - jointly held property, **15:63-15:65**
    - powers of appointment, transfers under, **15:55, 15:57**
- QTIP property, **15:58**
- remainder interests, **15:61, 15:62**

**DISCLAIMERS—Cont'd**

Time requirements—Cont'd  
special powers of appointment,  
transfer under, **15:57**  
Texas law, **15:66**  
Total disclaimers, **15:17**  
form of, **15:108**  
Transfer treated as disclaimers, **15:25**  
Trusts. See index heading **TRUSTS**  
Types of disclaimers, **15:16-15:24**  
Undivided property portions, **15:19**  
Unified credit, utilization of, **15:32-15:34**  
Use of disclaimers, generally, **15:26-15:42**  
Writing requirement, **15:44-15:46**

**DISCLOSURE**

Attorneys. See index heading  
ATTORNEY-CLIENT RELATIONSHIP,  
MANAGING OF  
Attorneys' fee agreement with  
disclosure language, form of,  
**2:91**  
Lifetime planning. See index heading  
LIFETIME PLANNING  
Trusts, **5:5**

**DISCOUNT VALUE**

Federal transfer tax system, **6:235-6:239**  
Tax planning, **12:191-12:198**

**DISCRETIONARY MATTERS**

Trusts. See index heading **TRUSTS**

**DISINTEREST CLAIMS**

Attorney-client relationship, managing of, **2:39**

**DISPOSITION OF REMAINS**

Lifetime planning, **9:91-9:94**

**DISPOSITIVE MATTERS**

Planning  
general discussion, **1:5, 10:1-10:243**  
for detailed treatment see index  
heading **DISPOSITIVE PLANNING**  
Wills provisions  
general discussion, **4:229- 4:316**

**DISPOSITIVE MATTERS—Cont'd**

Wills provisions—Cont'd  
for detailed treatment see index  
heading **WILLS**

**DISPOSITIVE PLANNING**

General discussion, **1:5, 10:1-10:243**  
Acknowledgment of character of  
property, **10:98**  
Adjudication regarding community  
property, **10:229**  
Adjusting bequests to consider  
character of property, **10:96**  
Adult children, planning for, **10:135**  
Allowances, **10:168**  
Ambiguous terms, avoidance of, **10:5**  
Annuities  
general discussion, **10:234-10:243**  
beneficiaries, property interests  
given to, **10:112**  
bypass trust as beneficiary, **10:241**  
charity as beneficiary, **10:243**  
estate tax consequences, **10:237**  
income tax consequences, **10:236**  
planning considerations, **10:238-10:243**

QTIP trust as beneficiary, **10:242**  
spouse as beneficiary, **10:240**  
types of annuities, **10:235**  
Arbitration provision, **10:15**  
Assessing goals of client, **10:38**  
Attorneys, **10:16, 10:42**  
Avoidance of probate in other states,  
**10:80**

Balancing dispositive desires, **10:51-10:53**

Bank accounts

multiple- party accounts. See  
Multiple-party accounts in  
financial institutions, below  
probate property, planning for,  
**10:164**

Beneficial interests in property,  
**10:100**

Beneficiaries  
charitable gifts, **10:160**  
children. See Children, planning  
for, below

## INDEX

### **DISPOSITIVE PLANNING—Cont'd**

Beneficiaries—Cont'd  
disabled beneficiaries, planning for, **10:154**  
general family shared assets, **10:161**  
grandchildren. See Grandchildren, planning for, below  
paramours, planning for, **10:158**  
pets, planning for, **10:159**  
as players involved, **10:41**  
property interests. See Beneficiaries, property interests given to, below  
relationship to client, generally, **10:119**  
same sex couples, planning for, **10:157**  
significant others, planning for, **10:155-10:158**  
specific beneficiary types, planning for, generally, **10:119-10:161**  
spouses. See Spouses, planning for, below  
substantial charitable gifts, **10:160**  
unmarried couples, planning for, **10:156**  
Beneficiaries, property interests given to  
general discussion, **10:101-10:118**  
annuity, **10:112**  
contingent interest, **10:103**  
dollar interests versus percentage interests, **10:114**  
future interest, **10:106**  
income interest, **10:110**  
legal versus equitable, **10:102-10:112**  
life estate, **10:107**  
powers of appointment, **10:116-10:118**  
present interest, **10:105**  
principal, interest in, **10:111**  
remainder, **10:108**  
reversion, **10:109**  
specific interests versus general, **10:113**  
undivided interests versus divided interests, **10:115**

### **DISPOSITIVE PLANNING—Cont'd**

Beneficiaries, property interests given to—Cont'd  
vested interest, **10:104**  
Blended families, planning for, **10:136-10:141**  
Business and contractual agreements, **10:170**  
Business transfer planning, **1:57**  
Bypass trust as beneficiary annuities, **10:241**  
tax deferred retirement plans, **10:209**  
Categorizing tools of disposition, **10:54**  
Character of property, generally, **10:91-10:98, 10:139**  
Charitable gifts, beneficiaries of, **10:160**  
Charity as beneficiary, **10:211, 10:243**  
Children, planning for  
general discussion, **10:133-10:146**  
adult children, **10:135**  
blended families, **10:136-10:141**  
character of property, **10:139**  
intent of client, **10:143**  
investment of trust, **10:144**  
minor children, **10:134**  
multiple-party accounts in financial institutions, **10:188**  
principal distributions, **10:144**  
protecting the children, **10:142-10:146**  
selecting trustee, **10:145**  
structuring dispositions of property, **10:138-10:141**  
will, portion passing under, **10:140**  
Codicils, use of, **10:6**  
Communications, **10:7, 10:11**  
Community property with right of survivorship  
general discussion, **10:224-10:232**  
adjudication, requirement of, **10:229**  
advantages, **10:227**  
character of property, **10:93**  
contingent distribution, absence of, **10:230**

**DISPOSITIVE PLANNING—Cont'd**

- Community property with right of survivorship—Cont'd
- disadvantages, **10:228-10:232**
- divorce, not voided by, **10:232**
- multiple-party accounts in financial institutions, **10:178**
- planning considerations, **10:226-10:232**
- proof of, **10:225**
- testamentary gifts, unavailable to fund, **10:231**
- Complete dispositions, **10:48, 10:49**
- Conflicts, **10:2-10:16, 10:124**
- Constraints in dispositive planning, **10:27-10:37**
- Contingent interests, **10:64, 10:103, 10:230**
- Convenience accounts, **10:181**
- Coordination of dispositive plan, **1:53-1:57**
- Coordination of nonprobate and probate assets, generally, **10:54-10:88**
- Cost and complexity, **10:31**
- Creditors' claims, **10:166**
- Designations of beneficiaries, **10:87**
- Disabled beneficiaries, planning for, **10:154**
- Divorce, effect of, **10:189, 10:199, 10:221, 10:232**
- Dollar interests versus percentage interests, **10:114**
- Election by widow, **10:167**
- Estate tax consequences, **10:34, 10:237**
- Ethical considerations, **10:16**
- Executor, appointment of, **10:67**
- Fiduciaries, preserving flexibility, **10:18-10:25**
- Financial planner as player involved, **10:44**
- Future interest, beneficiaries of, **10:106**
- Gift tax considerations, **10:34**
- Goals of client, generally, **10:38-10:53**
- Grandchildren, planning for general discussion, **10:147-10:153**

**DISPOSITIVE PLANNING—Cont'd**

- Grandchildren, planning for—Cont'd
- form of making gifts, **10:150-10:153**
- interpersonal consideration, **10:148**
- outright gifts, **10:151**
- tax considerations, **10:149**
- trust, gifts in, **10:152, 10:153**
- Guardianships, avoidance of, **10:86**
- Homestead, **10:169**
- Impact of character of property on planning, **10:94-10:98**
- Income interest, **10:110**
- Income tax consequences, **10:37, 10:76, 10:236**
- Indiscretions of spouse, **10:123**
- Individual retirement accounts (IRAs), **10:203, 10:219**
- Intent of client, **10:3-10:6, 10:126, 10:143**
- Investment of trust, **10:144**
- Irrevocable inter vivos trusts, **10:85**
- Joint accounts, generally, **10:174-10:178**
- Joint tenancy with right of survivorship, **10:223**
- Life estates, **10:107**
- Life insurance, generally, **10:191-10:199**
- Life insurance agent as player involved, **10:45**
- Marital deduction, **10:35**
- Mediation provision, **10:15**
- Memos, use of, **10:6**
- Minimizing likelihood of conflict, **10:2-10:16**
- Minimum distribution considerations, **10:212-10:216**
- Minors. See Children, above
- Misunderstandings, **10:30**
- Multiple-party accounts in financial institutions
- general discussion, **10:173-10:190**
- advantages, **10:183**
- community property with right of survivorship, **10:178**
- convenience accounts, **10:181**
- disadvantages, **10:184-10:190**
- divorce, not voided by, **10:189**

## INDEX

**DISPOSITIVE PLANNING—Cont'd**

Multiple-party accounts in financial institutions—Cont'd  
exposure to creditors, **10:190**  
failure to seek professional advice, **10:187**  
joint accounts, generally, **10:174-10:178**  
minor beneficiaries, **10:188**  
payable on death (POD) accounts, **10:179**  
planning considerations, **10:182-10:190**  
survivorship, generally, **10:175-10:178**  
trust accounts, **10:180**  
unavailability of assets, disadvantages, **10:185**  
unintended inequality of distributions, **10:186**  
Nature and scope of property interests, **10:89**  
No contest clause, **10:9, 10:97**  
Noncitizen spouse, planning for, **10:132**  
Nonprobate property, planning for general discussion, **10:172-10:243**  
annuities. See Annuities, above  
community property. See Community property with right of survivorship, above  
coordination of dispositive plan, **1:56**  
divorce, effect on life insurance beneficiary designation, **10:199**  
life insurance, generally, **10:191-10:199**  
multiple-party accounts. See Multiple-party accounts in financial institutions, above  
nonqualified deferred compensation, **10:222**  
tax consequences of receipt of life insurance proceeds, **10:197**  
tax deferred benefits. See Tax deferred retirement benefits, below

**DISPOSITIVE PLANNING—Cont'd**

Nonprobate property, planning for—Cont'd  
trusts and beneficial interests, **10:233**  
types of property, generally, **10:172**  
Nonqualified deferred compensation, **10:223**  
Organizing tools of disposition, **10:54**  
Other states, use of revocable living trusts in, **10:78**  
Outright gifts, **10:151**  
Outright ownership, **10:99**  
Paramours, planning for, **10:158**  
Payable on death (POD) accounts, **10:179**  
Perceptions of client, **10:28**  
Personal property, specific disposition of, **10:57**  
Pets, planning for, **10:159**  
Players involved in dispositive planning, **10:39-10:46**  
Policy choices, **10:29**  
Powers of appointment, **10:26, 10:116-10:118**  
Practicality of proposed plan, **10:47**  
Present interest, beneficiaries of, **10:105**  
Preserving flexibility, **10:17-10:26**  
Principal, interest in, **10:111**  
Principal distributions, **10:144**  
Privacy, providing of, **10:83**  
Probate property, planning for general discussion, **10:162-10:171**  
allowances, **10:168**  
bank accounts, **10:164**  
business and contractual agreements, **10:170**  
coordination of dispositive plan, **1:55, 10:171**  
creditors' claims, **10:166**  
election by widow, **10:167**  
homestead, **10:169**  
restraints on disposition, **10:165-10:170**  
statutory and contractual restraints on disposition, **10:165-10:170**

**DISPOSITIVE PLANNING—Cont'd**

Probate property, planning for  
—Cont'd  
    title to property, **10:163**  
Property interests, generally, **10:89-10:118**  
Protection of property, **10:72-10:74**  
QTIP trust as beneficiary, **10:210, 10:242**  
Qualified plans, **10:202**  
Recalculation of life expectancy,  
**10:214**  
Reduce effectiveness of conflict,  
**10:8-10:11**  
Remainders, **10:108**  
Residue, disposition of, **10:63**  
Restraints on disposition, **10:165-10:170**  
Reversions, **10:109**  
Revocable living trusts  
    general discussion, **10:77-10:85**  
    avoidance of probate in other  
        states, **10:80**  
    avoiding hassles of probate, **10:84**  
    disability, avoiding hassles with,  
**10:82**  
    other states, use in, **10:78**  
    privacy, providing of, **10:83**  
    reasons to use, **10:79-10:84**  
    will contests, minimizing likeli-  
        hood of, **10:81**  
Same sex couples, planning for,  
**10:157**  
Selecting trustee, **10:127-10:129, 10:145**  
Separate property, **10:92**  
Significant others, planning for,  
**10:155-10:158**  
Specific interests versus general,  
**10:113**  
Spouses, planning for  
    general discussion, **10:120-10:132**  
    annuities, **10:240**  
    children, conflict with, **10:124**  
    conflict with children, **10:124**  
    indiscretions of spouse, **10:123**  
    information provided to children,  
**10:130**  
    intent of client, **10:126**

**DISPOSITIVE PLANNING—Cont'd**

Spouses, planning for—Cont'd  
    noncitizen spouse, **10:132**  
    protecting spouse, **10:122-10:124**  
    selecting trustee, **10:127-10:129**  
    structuring property dispositions,  
**10:125-10:131**  
    support for spouse, **10:121**  
    tax deferred retirement plans,  
**10:208**  
    trust committee, use of, **10:131**  
Statutory and contractual restraints  
    on disposition, **10:165-10:170**  
Structure for resolution of conflict,  
**10:12-10:16**  
Structuring dispositions of property,  
**10:138-10:141**  
Substantial charitable gifts, **10:160**  
Support for spouse, **10:121**  
Survivorship, generally, **10:175-10:178**  
Tax advisor as player involved, **10:43**  
Tax and debt allocation clause of  
    will, **10:66**  
Tax considerations  
    general discussion, **10:32-10:37**  
    funding of tax plan of client, **10:88**  
    grandchildren, planning for,  
**10:149**  
    life insurance proceeds, receipt of,  
**10:197**  
    testamentary trusts, **10:70**  
Tax deferred retirement plans  
    general discussion, **10:200-10:221**  
    403(b) annuities, **10:204**  
    bypass trust as beneficiary, **10:209**  
    charity as beneficiary, **10:211**  
    divorce, effect of, **10:221**  
    estate planning considerations,  
**10:205-10:221**  
    individual retirement accounts  
        (IRAs), **10:203**  
    IRA beneficiary, designation of,  
**10:219**  
    minimum distribution  
        considerations, **10:212-10:216**  
    QTIP trust as beneficiary, **10:210**  
    qualified plans, **10:202**

## INDEX

**DISPOSITIVE PLANNING—Cont'd**

- Tax deferred retirement plans
  - Cont'd
  - recalculation of life expectancy, **10:214**
- special planning, **10:217-10:220**
- spouse as beneficiary, **10:208**
- trust as beneficiary, **10:216**
- types of plans, **10:201**
- who can be beneficiary, **10:206**
- who should be beneficiary, **10:207-10:211**

Testamentary trusts

- general discussion, **10:68-10:76**
- community property with right of survivorship, **10:231**
- control over disposition of property, **10:75**
- income taxes, **10:76**
- management expertise, **10:71**
- protection of property, **10:72-10:74**
- purposes, **10:69-10:75**
- tax savings, **10:70**

Title to property, **10:163**

Tracing character of property, **10:95**

Trust officer as player involved, **10:46**

Trusts

- grandchildren, planning for, **10:152, 10:153**
- multiple-party accounts in financial institutions, **10:180**
- spouses, planning for, **10:131**
- tax deferred retirement plans, **10:216**
- testamentary. See Testamentary trusts, above
- wills, **10:58-10:62**

TUTMA provision, **10:65**

Undivided interests versus divided interests, **10:115**

Unmarried couples, planning for, **10:156**

Vested interest, beneficiaries of, **10:104**

Wills

- general discussion, **10:56-10:67**
- children, planning for, **10:140**

**DISPOSITIVE PLANNING—Cont'd**

- Wills—Cont'd
- contests, minimizing likelihood of, **10:81**
- contingent bequest, **10:64**
- executor, appointment of, **10:67**
- personal property, specific disposition of, **10:57**
- residue, disposition of, **10:63**
- specific bequests of cash or items, **10:57**
- tax and debt allocation clause, **10:66**
- trusts, **10:58-10:62**
- TUTMA provision, **10:65**

**DISTRIBUTABLE NET INCOME (DNI)**

- Income tax. See index heading
- INCOME TAXATION OF TRUSTS AND ESTATES

**DISTRIBUTIONS**

- Federal transfer tax system, **6:176, 6:180**
- Income tax. See index heading
- INCOME TAXATION OF TRUSTS AND ESTATES

Tax planning, **12:382**

Trusts

- general discussion, **5:237- 5:271**
- for detailed treatment see index heading TRUSTS

Wills, **4:290- 4:295**

**DIVERSIFICATION OF PROPERTY**

- Trusts, **5:189**

**DIVIDED LOYALTIES**

- Trusts, **5:6- 5:8**

**DIVIDENDS**

- Wills, **4:271**

**DIVISION OF FEES**

- Attorney-client relationship, managing of, **2:73**

**DIVISION OF TRUSTS**

- General discussion, **5:291- 5:294**

**DIVORCE**

Business planning, **11:167**  
Dispositive planning, **10:189, 10:199, 10:221, 10:232**  
Trusts, **5:315, 5:516**  
Wills, **4:381- 4:383**

**DOMICILE OR RESIDENCE**

General discussion, **1:76-1:89**  
Actions to take in establishing, **1:79-1:85**  
Address, use of, **1:80**  
Bank accounts, use of, **1:83**  
Community property system, maintaining or changing domicile, **1:51**  
Declaration of domicile, **1:81**  
Definition, **1:77**  
Differently priced homes, **1:87**  
Disclaimers, residential joint tenancy, **15:72**  
Effect and importance, **1:76**  
Homestead property, **1:82**  
Possessions, location of, **1:88**  
Safe deposit boxes, use of, **1:83**  
Tax planning. See index heading **TAX PLANNING**  
Texas law on domicile status, **1:89**  
Ties to state for determining, **1:78**  
Time spent in state, **1:85**  
Trusts, **5:382**  
Vote, registering to vote as action to establish domicile, **1:84**  
Wills, **4:103**

**DONATIVE TRUSTS**

General discussion, **5:106**

**DO NOT RESUSCITATE (“DNR”) DIRECTIVES**

General discussion, **9:81-9:83**

**DRAFTING PRINCIPLES**

Trusts  
general discussion, **5:121- 5:127**  
for detailed treatment see index heading **TRUSTS**

**DRUGS AND DRUG ABUSE**

Trusts for minors, **5:517**  
Wills, **4:513**

**DUPLICATE WILLS**

General discussion, **4:471, 4:472**

**DURABLE POWER OF ATTORNEY**

General discussion, **9:9-9:45**  
For detailed treatment see index heading **LIFETIME PLANNING**

**DURATION**

Lifetime planning. See index heading **LIFETIME PLANNING**

**DYNASTY TRUSTS**

General discussion, **12:199-12:233**  
For detailed treatment see index heading **TAX PLANNING**

**EASEMENT FOR CONSERVATION**

Elections, **15:99**

**EDUCATION**

Trusts, **5:261- 5:264**

**EIN**

Family limited partnerships (FLP), **13:59**

**EJUSDEM GENERIS, RULE OF WILLS**

General discussion, **15:91-15:105**  
Administration expenses, **15:92**  
Alternative valuations, **15:101**  
Closely held businesses, **15:98**  
Commonly used elections, **15:91-15:95**

Conservation easement, **15:99**

Decedent’s final income tax return, election to deduct on, **15:93-15:95**

Deductions on decedent’s final income tax return, election as to, **15:93-15:95**

Easement for conservation, **15:99**

Fiduciary income tax returns, selecting the tax year end for, **15:96**

Medical expense deductions on decedent’s final income tax return, election as to, **15:94**

Portability election, **15:105**

QTIP election, **15:100**

## INDEX

**ELECTION OR OPTION—Cont'd**  
Retirement plans and planning, **8:84-8:89**  
Series E and EE interest deductions on decedent's final income tax return, election as to, **15:95**  
Special use valuation, **15:97**  
Trusts distinguished, **5:113**  
Widow, election by  
dispositive planning, **10:167**  
wills, **4:353, 4:354**

**EMERGENCY**  
Trusts, **5:258**

**EMOTIONAL ISSUES**  
Attorney-client relationship, managing of, **2:15**

**EMPATHY**  
Trustee, **5:343**

**EMPLOYER AND EMPLOYEE**  
Disclaimers, employee benefits, **15:36-15:39**  
Income taxation of trusts and estates, employer identification number (EIN), **7:2**  
Trusts. See index heading **TRUSTS**

**ENFORCEMENT**  
Texas transfer tax. See index heading **TEXAS TRANSFER TAX SYSTEM**

**ENGAGEMENT LETTER**  
Attorney-client relationship, managing of, **2:74**

**ENVIRONMENTAL MATTERS**  
Trusts, **5:186, 5:385, 5:436**

**ESCHEAT**  
Probate, **1:72**

**ESTATES AND ESTATE TAXES**  
Closely held business or stock, long-term payout of estate taxes, **11:129-11:139**  
Dispositive planning, estate tax consequences, **10:33, 10:34, 10:237**  
Federal transfer tax system generally, **6:81-6:164**

**ESTATES AND ESTATE TAXES**  
—Cont'd  
Federal transfer tax system—Cont'd  
for detailed treatment see index  
heading **FEDERAL TRANSFER TAX SYSTEM**  
Grantor retained annuity trusts, **11:91, 11:92, 11:93**  
Income tax. See index heading **INCOME TAXATION OF TRUSTS AND ESTATES**  
Information gathering and counseling of client, **3:54**  
Retirement plans. See index heading **RETIREMENT PLANS AND PLANNING**  
Tax planning. See index heading **TAX PLANNING**  
Trusts  
general discussion, **5:1- 5:538**  
for detailed treatment see index  
heading **TRUSTS**  
Wills  
general discussion, **4:1- 4:543**  
for detailed treatment see index  
heading **WILLS**

**ESTATE TRUST**  
General discussion, **5:465**

**ESTOPPEL**  
See index heading **WAIVER AND ESTOPPEL**

**ETHICAL CONSIDERATIONS**  
Attorney-client relationship, managing of  
general discussion, **2:17-2:64**  
for detailed treatment see index  
heading **ATTORNEY-CLIENT RELATIONSHIP, MANAGING OF**  
Dispositive planning, **10:16**  
Information gathering and counseling of client, **3:2, 3:4**  
Trusts  
general discussion, **5:1- 5:30**  
for detailed treatment see index  
heading **TRUSTS**  
Wills  
general discussion, **4:1- 4:10**  
for detailed treatment see index  
heading **WILLS**

**ETIP PROPERTY**

Federal transfer tax. See index heading FEDERAL TRANSFER TAX SYSTEM

**EVIDENCE**

Wills. See index heading WILLS

**EXCEPTIONS**

See index heading EXEMPTIONS, EXCEPTIONS, AND EXCLUSIONS

**EXCLUSIONS**

See index heading EXEMPTIONS, EXCEPTIONS, AND EXCLUSIONS

**EXCULPATORY PROVISIONS**

Trusts, 5:456

**EXECUTION OF INSTRUMENTS**

Disclaimers. See index heading DISCLAIMERS

Lifetime planning. See index heading LIFETIME PLANNING

Wills

general discussion, 4:45- 4:98

for detailed treatment see index heading WILLS

**EXECUTORS**

Wills

general discussion, 4:137- 4:186

for detailed treatment see index heading WILLS

**EXECUTORSHIP**

Trusts distinguished, 5:115

**EXEMPTIONS, EXCEPTIONS, AND EXCLUSIONS**

Attorneys. See index heading ATTORNEY-CLIENT RELATIONSHIP, MANAGING OF

Federal transfer tax. See index heading FEDERAL TRANSFER TAX SYSTEM

Income taxation of trusts and estates, 7:3, 7:4, 7:40

Tax planning. See index heading TAX PLANNING

Trusts, exemption from taxes and debts, 5:50

Wills, exemption right, 4:355- 4:357

**EXONERATION**

Trustee, 5:406- 5:410

**EXORDIUM CLAUSE**

Wills

general discussion, 4:101- 4:107

for detailed treatment see index heading WILLS

**EXPATRIATES**

Tax planning, 12:367-12:371, 12:395

**EXPENSES**

See index heading COSTS AND EXPENSES

**EXTENSION OF TIME**

Tax planning, 12:131-12:133

**EXTINCTION**

Ademption by, 4:424

**EXTRINSIC EVIDENCE**

Wills. See index heading WILLS

**FAIL-SAFING**

Lifetime planning, 9:7

**FAIRLY REPRESENTATIVE PECUNIARY FORMULA FUNDING CLAUSES**

Tax planning, 12:65

**FAIR MARKET VALUE**

Federal transfer tax system, 6:26

Wills, 4:307, 4:308

**FALSE STATEMENTS**

See index heading FRAUD AND DECEIT

**FAMILY AND RELATIVES**

Definitions, 5:82

Federal transfer tax system, family businesses, 6:133, 6:239

Information gathering and counseling of client

general discussion, 3:35-3:45

for detailed treatment see index heading INFORMATION GATHERING AND COUNSELING OF CLIENT

Tax planning. See index heading TAX PLANNING

Trustee's familiarity with, 5:336

Wills. See index heading WILLS

## INDEX

**FAMILY LIMITED PARTNERSHIPS (FLP)**

- General discussion, **13:1-13:65**
- Accountant, partnership CPA, **13:54**
- Adult children, **13:41**
- Agreement, limited partnership agreement, **13:57**
- Appraisers, **13:62**
- Assets, suitability and sufficiency of, **13:30-13:38**
- Benefits, **13:4-13:10**
- Certificate of limited partnership, form, **13:64**
- Corporation as general partner, **13:44-13:48**
- Cost and administrative burden, **13:47**
- Creation of partnership, **13:56, 13:57**
- Creditor protection, **13:5, 13:48**
- Custodianships, **13:42**
- Death of general partner, control after, **13:45**
- Demographics and dynamics, suitability of family demographics and dynamics, **13:39-13:43**
- Diversification, **13:50-13:53**
- EIN, **13:59**
- Forms
  - certificate of limited partnership, **13:64**
  - manager, limited partnership with partnership manager, **13:65**
- Franchise tax, **13:46, 13:55**
- Funding, **13:58-13:63**
- General partner, **13:2, 13:44-13:48**
- Gift on formation, **13:12**
- Income tax aspects, **13:49-13:54**
- Individual as general partner, **13:44-13:48**
- Initial planning considerations, generally, **13:30-13:55**
- IRS rulings and judicial opinions, **13:11-13:29**
- Judicial opinions and IRS rulings, **13:11-13:29**
- Life insurance, **13:33**
- Limited partner, **13:3**
- LLC as general partner, **13:44-13:48**
- Minimum number of partners, **13:40**

**FAMILY LIMITED PARTNERSHIPS (FLP)**

- Cont'd
- Minor children, **13:42**
- "Nest egg," **13:34**
- Operation, generally, **13:58-13:63**
- Personal use assets, **13:35**
- Retirement assets, **13:31**
- Sham TAMs, **13:11**
- Stock options, **13:32**
- Subchapter S stock, **13:36**
- Suitability of family demographics and dynamics, **13:39-13:43**
- Tax planning, generally, **12:196**
- Transfer of assets, restrictions, **13:37**
- Transferring family limited partnership interests, **13:62, 13:63**
- Trusts, **13:42**
- Valuation
  - discounts, **13:6-13:9**
  - gift, estate, and generation-skipping tax, **6:239**

**FARMING OPERATIONS**

- Trusts, **5:230**

**FEASIBILITY**

- Trusts, **5:141- 5:143**

**FEDERAL REQUIREMENTS**

- Disclaimers
  - general discussion, **15:43**
  - for detailed treatment see index heading **DISCLAIMERS**

**FEDERAL TAXES**

- Federal transfer tax system
  - Generally, **6:14-6:249**
  - for detailed treatment see index heading **FEDERAL TRANSFER TAX SYSTEM**
- Information gathering and counseling of client, **3:53-3:56**

**FEDERAL TRANSFER TAX SYSTEM**

- Generally, **6:14-6:249**
- Allocation of exemption. See Generation-skipping transfer tax, below
- Alternate valuations, estate tax, **6:157, 6:232**

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Annual exclusion, gift tax, **6:46-6:49**  
 Anti-freeze provision, **6:241**  
 Anti-Harrison rule, **6:246**  
 Appraisal fees, **6:122**  
 Assets of non-resident citizens, **6:149**  
 Assignment of persons to generations, **6:185-6:189**  
 Attorneys' fees, **6:121**  
 Basis of property, **6:76, 6:82**  
 Business transactions, gift tax, **6:29**  
 Buy-sell restrictions, **6:245**  
 Calculation of tax. See Computation or calculation of tax, below  
 Chapter 14, valuation principles of. See Valuation provisions, below  
 Charitable lead annuity trust, **6:193**  
 Charitable pledges, **6:126**  
 Children. See Minors, below  
 Common law GRITs, **6:242, 6:243**  
 Computation or calculation of tax estate tax. See Estate tax, below  
 generation-skipping transfer tax, **6:179-6:184**  
 gift tax, **6:80**  
 Conservation easement, estate tax deductions, **6:112-6:115**  
 Conserving property, costs of, **6:119**  
 Consideration, gift tax, **6:22**  
 Control premium, **6:238**  
 Credits against tax. See Estate tax, below  
 Crummey provisions. See Gift tax, below  
 Current gift tax rate schedule, **6:79**  
 Death, deemed allocation at, **6:225, 6:226**  
 Death taxes, estate tax credits against, **6:143-6:146**  
 Deductions estate tax. See Estate tax, below  
 gift tax. See Gift tax, below  
 Deemed allocations, generation-skipping transfer tax, **6:223-6:226**  
 Definitions general power of appointment, **6:100**

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Definitions—Cont'd  
 gift, **6:21-6:24**  
 tuition, **6:59**  
 Delivery of qualified disclaimers, **6:67**  
 Direct skips, generation-skipping transfer tax, **6:173-6:175, 6:183**  
 Disclaimers. See Gift tax, below  
 Discount values, **6:235-6:239**  
 Distributions, generation-skipping transfer tax, **6:176, 6:180**  
 Electing out of deemed allocation, **6:224, 6:226**  
 Entire interest or undivided portion of interest, gift tax, **6:70**  
 Entities, assignment to generations, **6:189**  
 Estate tax generally, **6:81-6:164**  
 administration expenses. See Funeral, administration expenses and debts, deduction for, below in this group  
 alternate valuation, **6:157, 6:232**  
 appraisal fees, **6:122**  
 assets of non-resident citizens, **6:149**  
 attorneys' fees, **6:121**  
 basis of inherited property, **6:82**  
 Chapter 14. See Valuation provisions, below  
 charitable pledges, deduction for, **6:126**  
 computation of estate tax generally, **6:154-6:164**  
 alternate value, **6:157**  
 credits, **6:163**  
 deductions, **6:159**  
 gross tax determined, **6:162**  
 prior taxable gifts, **6:160**  
 restrictions on use, **6:158**  
 sample computation, **6:164**  
 special use valuation, **6:156**  
 tentative tax determined, **6:161**  
 value, determination of, **6:155-6:158**

## INDEX

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Estate tax—Cont'd

- conservation easement, **6:112-6:115**
- conserving property, costs of, **6:119**
- credits against tax
  - generally, **6:135-6:147**
  - computation of estate tax, **6:163**
- death taxes, credit for, **6:143-6:146**
- foreign death taxes, credit for, **6:143-6:145**
- prior transfers, credit for tax on, **6:139-6:142**
- recovery of taxes claimed as credit, **6:147**
- remainders, credit for death taxes on, **6:146**
- state death taxes, credit for, **6:138**
- unified credit, **6:136, 6:137**

death taxes, credit for, **6:143-6:146**

debts. See Funeral, administration expenses and debts, deduction for, below in this group

deductions

- generally, **6:111-6:133**
- administration expenses. See Funeral, administration expenses and debts, deduction for, below in this group
- computation of estate tax, **6:159**
- conservation easement, **6:112-6:115**
- debts. See Funeral, administration expenses and debts, deduction for, below in this group
- exclusion limit for conservation easement, **6:113, 6:114**
- family owned business interests, **6:133**
- funeral expenses. See Funeral, administration expenses and debts, deduction for, below in this group
- land which qualifies for conservation easement, **6:115**

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Estate tax—Cont'd

- deductions—Cont'd
  - marital deduction. See Marital deduction, below in this group
  - non-resident citizens, estates of, **6:152**
  - qualified conservation easement, **6:112-6:115**
  - state death taxes, **6:134**
- definition of general power of appointment, **6:100**
- executor's commissions, **6:120**
- exemptions, exceptions, and exclusions
- conservation easement, exclusion limit for, **6:113, 6:114**
- powers of appointment, exception to general rule, **6:103**
- three years of death, gifts within, **6:86, 6:90, 6:91**
- family owned business interests, deductions, **6:133**
- foreign country, property located in, **6:84**
- foreign death taxes, credit for, **6:143-6:145**
- funeral, administration expenses and debts, deduction for generally, **6:116-6:126**
- administration expenses, generally, **6:118**
- appraisal fees, **6:122**
- attorneys' fees, **6:121**
- charitable pledges, **6:126**
- conserving property, costs of, **6:119**
- executor's commissions, **6:120**
- income tax for decedent's final year, **6:125**
- legal fees, **6:121**
- liens of decedent, **6:124**
- mortgages of decedent, **6:124**
- reasonable funeral expenses, **6:117**
- sale of property, expenses incurred in, **6:123**

## FEDERAL TRANSFER TAX SYSTEM—Cont'd

Estate tax—Cont'd  
 gross tax determined, **6:162**  
 income tax for decedent's final year, **6:125**  
 insufficient consideration, transfers for, **6:105, 6:106**  
 IRA benefits, **6:131**  
 land which qualifies for conservation easement, **6:115**  
 lapse of general power of appointment, **6:102**  
 legal fees, **6:121**  
 liens of decedent, **6:124**  
 life insurance, **6:90, 6:104, 6:151**  
 limitations and restrictions  
   alternate valuation, restrictions on use, **6:233**  
   computation of estate tax, restrictions on use, **6:158**  
   power of appointment, **6:101**  
 marital deduction  
   generally, **6:127-6:132**  
   history, **6:128**  
   interests that qualify, **6:130**  
   IRA benefits, **6:131**  
   non-U.S. citizens, special requirements for, **6:132**  
   pre-1982 wills and transition rules, **6:129**  
   Qualified Domestic Trust, **6:132**  
   qualified plan, **6:131**  
 marital rights, relinquishment of, **6:106**  
 mortgages of decedent, **6:124**  
 nature of, **6:16, 6:17**  
 non-resident citizens, estates of, **6:148-6:152**  
 non-U.S. citizens, special requirements for, **6:132**  
 possession, enjoyment or income, retained right to, **6:93**  
 powers of appointment  
   generally, **6:99-6:103**  
   definition of general power of appointment, **6:100**  
   exception to general rule, **6:103**  
   lapse of general power, **6:102**

## FEDERAL TRANSFER TAX SYSTEM—Cont'd

Estate tax—Cont'd  
 powers of appointment—Cont'd  
   limited power, **6:101**  
   prior taxable gifts, **6:97, 6:98, 6:160**  
   prior transfers, credit for tax on, **6:139-6:142**  
   property upon which tax is imposed, **6:83-6:110**  
   QTIP property, **6:109, 6:110**  
   qualified conservation easement, **6:112-6:115**  
 Qualified Domestic Trust, **6:132**  
 qualified plan, marital deduction, **6:131**  
 recovery of taxes claimed as credit, **6:147**  
 remainders, credit for death taxes on, **6:146**  
 restrictions. See Limitations and restrictions, above this group  
 retained interests, **6:92-6:96, 6:153**  
 retained powers, exception for transfer of, **6:91**  
 retirement plan benefits, **6:107, 6:108**  
 revocable transfers, **6:96**  
 sale of property, expenses incurred in, **6:123**  
 sample computation of estate tax, **6:164**  
 special use valuation, **6:156**  
 state death taxes  
   credit for, **6:138**  
   deductions, **6:134**  
 state gift taxes not included, **6:89**  
 tentative tax determined, **6:161**  
 three years of death, gifts within generally, **6:85-6:91**  
 exceptions, **6:86, 6:90, 6:91**  
 life insurance, exception for transfer of, **6:90**  
 retained powers, exception for transfer of, **6:91**  
 state gift taxes not included, **6:89**  
 transferee tax liability, **6:88**

## INDEX

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Estate tax—Cont'd  
time valuations, **6:231-6:233**  
trusts and trust gifts, **5:481**  
unified credit, **6:136, 6:137**  
valuation. See Valuation for gift, estate, and generation-skipping tax, below

ETIP property. See Generation-skipping transfer tax, below

Exemptions, exceptions, and exclusions  
estate tax. See Estate tax, above  
generation-skipping tax. See Generation-skipping transfer tax, below

gift tax. See Gift tax, below

Fair market value, intrafamily transfers made with no evidence of, **6:26**

Family businesses, **6:133, 6:239**

Filing requirements, gift tax, **6:34**

Foreign country, property located in, **6:84**

Foreign death taxes, credit for, **6:143-6:145**

Forms 709 and 709A, **6:37**

Full and adequate consideration, gift tax, **6:22**

General rules applying to estate and gift taxes, **6:14-6:18**

Generation-skipping transfer tax generally, **6:165-6:227**  
allocation of exemption generally, **6:197**  
donor, timely allocations by, **6:216**  
effective date of, generally, **6:215-6:222**  
ETIP property, late allocations, **6:222**  
late allocations, **6:217, 6:219-6:222**  
personal representative, timely allocations by, **6:218**  
assignment of persons to generations, **6:185-6:189**  
charitable lead annuity trust, **6:193**

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Generation-skipping transfer tax  
—Cont'd  
computation of tax, **6:179-6:184**  
death, deemed allocation at, **6:225, 6:226**  
deemed allocations, **6:223-6:226**  
direct skips, **6:173-6:175, 6:183**  
distributions, **6:176, 6:180**  
effective dates, **6:167-6:170**  
electing out of deemed allocation, **6:224, 6:226**  
entities, assignment to generations, **6:189**  
ETIP property  
allocation, effective date of, **6:222**  
inclusion ratio, **6:194, 6:195**  
exemptions, exceptions, and exclusions  
allocation of exemption. See Allocation of exemption, above in this group  
constructive additions, **6:201, 6:202**  
coverage, exclusions from generally, **6:198-6:209**  
constructive additions, **6:201, 6:202**  
gift tax exclusion, transfers which qualify for, **6:208**  
grandfathered trust, **6:199-6:203**  
medical expenses, **6:209**  
power of appointment, lapse of, **6:201**  
predeceased child rule, **6:204-6:206**  
release of grandfathered trust, **6:201**  
terminations subject to estate or gift tax, **6:207**  
tuition, **6:209**  
waiver of right of recovery, **6:203**  
gift tax exclusion, transfers which qualify for, **6:208**  
grandfathered trust, **6:199-6:203**

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Generation-skipping transfer tax  
—Cont'd  
exemptions, exceptions, and exclusions—Cont'd  
medical expenses, **6:209**  
power of appointment, lapse of, **6:201**  
predeceased child rule, **6:204-6:206**  
release of grandfathered trust, **6:201**  
tax, exemptions from  
generally, **6:210-6:212**  
terminations subject to estate or gift tax, **6:207**  
tuition, **6:209**  
valuation rule, exceptions to, **6:214**  
waiver of right of recovery, **6:203**  
\$11.58 million per grantor exemption  
generally, **6:211**  
amount indexed, **6:212**  
gift tax exclusion, transfers which qualify for, **6:208**  
grandfathered trust, **6:199-6:203**  
inclusion ratio  
generally, **6:190-6:196**  
applicable fraction, **6:191**  
charitable lead annuity trust, **6:193**  
ETIP period, **6:194, 6:195**  
qualified severance, **6:196**  
valuation of property for determining, **6:192**  
income and GST tax, transfer subject to, **6:181**  
lifetime, deemed allocation during, **6:223, 6:224**  
lineal descendants, assignment of persons to generations, **6:186**  
medical expenses, exclusions from coverage, **6:209**  
mental disability of transferor, **6:170**

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Generation-skipping transfer tax  
—Cont'd  
more than one generation, assignment of persons to generations, **6:188**  
nature of, **6:18**  
nonlineal descendants, assignment of persons to generations, **6:187**  
nonresident aliens, application of Chapter 13 to, **6:227**  
objective of, **6:166**  
overview, **6:6**  
persons responsible for paying tax, **6:178**  
power of appointment, lapse of, **6:201**  
predeceased child rule, **6:204-6:206**  
rate, **6:171**  
release of grandfathered trust, **6:201**  
state GST, credit for, **6:184**  
taxable events, **6:172-6:177**  
terminations, **6:177, 6:182, 6:207**  
time valuations, **6:234**  
tuition, exclusions from coverage, **6:209**  
valuation. See Valuation for gift, estate, and generation-skipping tax, below  
waiver of right of recovery, **6:203**  
Gift tax  
generally, **6:19-6:80**  
annual exclusion, **6:46-6:49**  
basis in property received as gift, **6:76**  
business transactions, **6:29**  
calculation of gift tax, **6:80**  
consideration, **6:22**  
current gift tax rate schedule, **6:79**  
deductions. See Exclusions and deductions, below  
definitions, **6:21-6:24, 6:59**  
delivery of qualified disclaimers, **6:67**

## INDEX

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Gift tax—Cont'd  
    disclaimers  
        generally, **6:63-6:75**  
        acceptance, **6:69**  
        delivery of qualified disclaimers, **6:67**  
    entire interest or undivided portion of interest, **6:70**  
    nontax reasons for disclaiming property interests, **6:73**  
    pass without direction to decedent's spouse, **6:71**  
    qualified disclaimers, **6:65-6:71**  
    reasons for disclaiming property interests, **6:72-6:75**  
    significance of disclaimers, **6:64**  
    tax reasons for disclaiming property interests, **6:74**  
    timely disclaimers, **6:68**  
    unplanned disclaimers, **6:75**  
    writing required for qualified disclaimers, **6:66**  
donee's basis in property received as gift, **6:76**  
entire interest or undivided portion of interest, disclaimers, **6:70**  
exclusions and deductions  
    generally, **6:45-6:62**  
    annual exclusion, **6:46-6:49**  
    Crummey provisions. See Powers of appointment and Crummey provisions, below  
    generation-skipping transfer tax, transfers which qualify for gift tax exclusion, **6:208**  
    increases in annual exclusion, **6:48**  
    powers of appointment. See Powers of appointment and Crummey provisions, below  
    split gifts, **6:50**  
    trust gifts, annual exclusion, **6:49**  
exemptions and exceptions  
    exclusions. See Exclusions and deductions, above in this group

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Gift tax—Cont'd  
    exemptions and exceptions  
        —Cont'd  
        gifts made within three years of death, exceptions for, **6:24**  
    fair market value, intrafamily transfers made with no evidence of, **6:26**  
    filing requirements, **6:34**  
    forms 709 and 709A, **6:37**  
    full and adequate consideration, **6:22**  
    genuine disputes, intrafamily transfers, **6:27**  
    gifts made prior to 1976, **6:78**  
    gratuitous services, **6:44**  
    interest-free loans, **6:42**  
    intrafamily transfers, valuation of, **6:25-6:27**  
    lapse of general power of appointment, **6:53**  
    life estate interests, gifts of, **6:28**  
    limits on deductibility of tuition, **6:60**  
    medical expenses, gifts of, **6:62**  
    minors, gifts for benefit of, **6:56**  
    nature of, **6:15**  
    net gifts, **6:32**  
    notice of powers of appointment and Crummey provisions, **6:54**  
    penalties for late filing, **6:39**  
    powers of appointment and Crummey provisions  
        generally, **6:51-6:55**  
        lapse of general power of appointment, **6:53**  
        non-beneficiaries of trust, **6:52**  
        notice, **6:54**  
        time to exercise Crummey power, **6:55**  
    property settlements, **6:30**  
    QTIP trusts, gifts to, **6:35**  
    qualified disclaimers, **6:65-6:71**  
    qualified tuition programs, **6:61**  
    rate schedule, **6:79**  
    rent-free use of property, **6:42**

## FEDERAL TRANSFER TAX SYSTEM—Cont'd

Gift tax—Cont'd  
 reporting of gift tax  
 generally, **6:33-6:39**  
 filing requirements, **6:34**  
 forms 709 and 709A, **6:37**  
 penalties for late filing, **6:39**  
 QTIP trusts, gifts to, **6:35**  
 split gifts, **6:36**  
 retained income interest, **6:43**  
 split gifts  
 generally, **6:31**  
 exclusions and deductions, **6:50**  
 reporting of gift tax, **6:36**  
 support obligations, **6:30**  
 three years of death, exception for  
 gifts made within, **6:24**  
 time or date  
 Crummey power, time to  
 exercise, **6:55**  
 disclaimers, timeliness of, **6:68**  
 filing, timeliness of, **6:38**  
 valuations, **6:230**  
 transfers subject to tax, **6:40-6:44**  
 trust gifts, annual exclusion, **6:49**  
 tuition, gifts of, **6:57-6:61**  
 unified credit, **6:77**  
 unplanned disclaimers, **6:75**  
 valuation. See Valuation for gift,  
 estate, and generation-skipping tax, below  
 writing required for qualified  
 disclaimers, **6:66**  
 Grandfathered trust, generation-skipping transfer tax, **6:199-6:203**  
 Gratuitous services, gift tax, **6:44**  
 Gross estate tax determined, **6:162**  
 Inclusion ratio. See Generation-skipping transfer tax, above  
 Income taxes  
 estate tax, income tax for  
 decedent's final year, **6:125**  
 generation-skipping transfer tax,  
 transfer subject to income and  
 GST tax, **6:181**  
 Insufficient consideration, transfers  
 for, **6:105, 6:106**

## FEDERAL TRANSFER TAX SYSTEM—Cont'd

Interest-free loans, gift tax, **6:42**  
 Intrafamily transfers, valuation of,  
**6:25-6:27**  
 IRA benefits, **6:131**  
 Land which qualifies for conservation  
 easement, **6:115**  
 Lapse of general power of appointment, **6:53, 6:102**  
 Legal fees, **6:121**  
 Liens of decedent, **6:124**  
 Life estates, remainders, and reversions  
 credit for death taxes on  
 remainders, **6:146**  
 gifts of life estate interests, **6:28**  
 Life insurance, **6:90, 6:104, 6:151**  
 Lifetime, deemed allocation during,  
**6:223, 6:224**  
 Limitations and restrictions. See  
 Estate tax, above  
 Limited power of appointment, **6:101**  
 Limits on deductibility of tuition,  
**6:60**  
 Lineal descendants, assignment of  
 persons to generations, **6:186**  
 Marital deduction. See Estate tax,  
 above  
 Marital rights, relinquishment of,  
**6:106**  
 Medical expenses, **6:62, 6:209**  
 Mental disability of transferor, **6:170**  
 Minors  
 gifts for benefit of, **6:56**  
 predeceased child rule, generation-skipping transfer tax, **6:204-6:206**  
 premium and discount values,  
 minority and lack of marketability  
 discounts of business  
 interests, **6:237**  
 More than one generation, assignment  
 of persons to generations,  
**6:188**  
 Mortgages of decedent, **6:124**  
 Net gifts, **6:32**  
 Nonlineal descendants, assignment of  
 persons to generations, **6:187**

## INDEX

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Nonresident aliens, application of Chapter 13 to, **6:227**

Non-resident citizens, estates of, **6:148-6:152**

Non-U.S. citizens, special requirements for, **6:132**

Notice of powers of appointment and Crummey provisions, **6:54**

Penalties

- gift tax, penalties for late filing, **6:39**
- undervaluation, penalty for, **6:249**

Possession, enjoyment or income, retained right to, **6:93**

Powers of appointment

- estate tax. See Estate tax, above
- generation-skipping transfer tax, lapse of power, **6:201**
- gift tax. See Gift tax, above

Predeceased child rule, generation-skipping transfer tax, **6:204-6:206**

Premium and discount values, **6:235-6:239**

Prior taxable gifts, **6:97, 6:98, 6:160**

Prior transfers, credit for tax on, **6:139-6:142**

Property settlements, **6:30**

QTIP property, **6:35, 6:109, 6:110**

Qualified conservation easement, **6:112-6:115**

Qualified disclaimers, **6:65-6:71**

Qualified Domestic Trust, **6:132**

Qualified plan, **6:131**

Qualified tuition programs, **6:61**

Rate schedule for gift tax, **6:79**

Recovery of taxes claimed as credit, **6:147**

Release of grandfathered trust, **6:201**

Remainders. See Life estates, remainders, and reversions, above

Rent-free use of property, **6:42**

Reports and reporting. See Gift tax, above

Restrictions. See Estate tax, above

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Retained interests, **6:43, 6:92-6:96, 6:153**

Retained powers, exception for transfer of, **6:91**

Retirement plan benefits, **6:107, 6:108**

Reversions. See Life estates, remainders, and reversions, above

Revocable transfers, estate tax, **6:96**

Sale of property, expenses incurred in, **6:123**

Sample computation of estate tax, **6:164**

Special use valuation, **6:156, 6:247, 6:248**

Split gifts. See Gift tax, above

Split interest transfers restricted, **6:244**

State death taxes

- credit for, **6:138**
- deductions, **6:134**

State gift taxes, **6:89**

State GST, credit for, **6:184**

Support obligations, gift tax, **6:30**

Tentative estate tax determined, **6:161**

Terminations, generation-skipping transfer tax, **6:177, 6:182, 6:207**

Three years of death, gifts within estate tax. See Estate tax, above

gift tax exception, **6:24**

Time or date

- Crummey power, time to exercise, **6:55**
- disclaimers, timeliness of, **6:68**

gift tax. See Gift tax, above

valuations. See Valuation for gift, estate, and generation-skipping tax

Trusts and trust gifts, **5:481, 6:49**

Tuition

- generation-skipping transfer tax, **6:209**
- gift tax, **6:57-6:61**

Undivided interests in real estate, **6:236**

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Unified credit  
 estate tax, **6:136, 6:137**  
 gift tax, **6:77**  
 Unified federal estate and gift tax system, **6:2-6:5**  
 Unplanned disclaimers, **6:75**  
 Valuation for gift, estate, and generation-skipping tax generally, **6:228-6:249**  
 anti-freeze provision, **6:241**  
 anti-Harrison rule, **6:246**  
 buy-sell restrictions, **6:245**  
 chapter 14, valuation principles of generally, **6:240-6:246**  
 anti-freeze provision, **6:241**  
 anti-Harrison rule, **6:246**  
 buy-sell restrictions, **6:245**  
 common law GRITs, **6:242, 6:243**  
 split interest transfers restricted, **6:244**  
 transfers with retained interests, **6:94**  
 common law GRITs, **6:242, 6:243**  
 computation of estate tax, **6:155-6:158**  
 control premium, **6:238**  
 definition of gift, **6:23**  
 discount values, **6:235-6:239**  
 family limited partnerships, **6:239**  
 inclusion ratio, generation-skipping transfer tax, **6:192**  
 intrafamily transfers, valuation of, **6:25-6:27**  
 minority and lack of marketability discounts of business interests, **6:237**  
 penalty for undervaluation, **6:249**  
 premium and discount values, **6:235-6:239**  
 qualifying for special use valuation, **6:248**  
 special use valuation, **6:247, 6:248**  
 split interest transfers restricted, **6:244**  
 time of valuation generally, **6:229-6:234**

**FEDERAL TRANSFER TAX SYSTEM—Cont'd**

Valuation for gift, estate, and generation-skipping tax—Cont'd  
 time of valuation—Cont'd  
 estate tax, **6:231-6:233**  
 generation-skipping tax, **6:234**  
 gift tax, **6:230**  
 transferred property, valuation of, **6:213, 6:214**  
 undivided interests in real estate, **6:236**  
 Waiver of right of recovery, generation-skipping transfer tax, **6:203**  
 Writing required for qualified disclaimers, **6:66**

**FEES**

Attorneys' fees. See index heading ATTORNEYS' FEES  
 Trusts, **5:25**  
 Wills, **4:478**

**FEES SIMPLE**

Wills, **4:245- 4:247**

**FELONS**

Wills, **4:147**

**FERTILE OCTOGENARIAN**

Trusts, **5:170**

**FIDUCIARIES**

Disclaimers, **15:69**  
 Dispositive planning, **10:18-10:25**  
 Lifetime planning. See index heading LIFETIME PLANNING  
 Trusts. See index heading TRUSTS  
 Wills  
 general discussion, **4:136- 4:228**  
 for detailed treatment see index heading WILLS

**FILING AND RECORDING**

Attorney-client relationship, file retention, **2:83-2:85**  
 Disclaimers, filing requirements, **15:47, 15:48**  
 Federal transfer tax system, **6:34**  
 Wills, **4:500**

## INDEX

**FINANCIAL INSTITUTION TRANSACTIONS**  
Durable power of attorney for, **9:37**

**FINANCIAL PLANNERS AND ADVISORS**  
Dispositive planning, **10:44**  
Information gathering and counseling of client, **3:16**

**FINANCIAL STABILITY**  
Trusts, **5:314**

**FIRST TAKER FAVORED IN LAW**  
Wills, **4:369**

**FIRST TIER AMOUNTS**  
Income taxation of trusts and estates, **7:49, 7:52**

**FIVE AND FIVE POWER**  
Bypass trusts, **12:40**

**FIVE MILLION DOLLARS**  
Taxable estate over or under, **12:319, 12:320**

**FIVE YEAR AVERAGING**  
Retirement plans and planning, **8:34**

**FIXED ATTORNEYS' FEES**  
Attorney-client relationship, managing of, **2:65**

**FLEXIBILITY**  
Trusts, **5:144- 5:148**

**FORCED HEIRSHIP**  
Community property system, **1:49**

**FOREIGN STATE OR COUNTRY**  
Federal transfer tax system, **6:84, 6:143-6:145**  
Tax planning. See index heading **TAX PLANNING**

**FORFEITURE CLAUSE**  
Wills, **4:311- 4:316**

**FORMS**  
Attorney-client relationship, managing of  
attorneys' fees, form of agreement for, **2:91**

**FORMS—Cont'd**  
Attorney-client relationship, managing of—Cont'd  
declining representation letter, form of, **2:92**  
disclosure language, form of fee agreement with, **2:91**  
engagement letter, form of, **2:90**  
withdrawal from representation letter, form of, **2:93**

**Attorneys**  
fees, form of fee agreement with disclosure language, **2:91**  
relationship with clients. Attorney-client relationship, managing of, above  
trusts  
joint representation statement, **5:523**  
multiple generations of same family, form of representation statement for, **5:524**  
withdrawal letter, **2:93**

**Attorneys' fees**, form of fee agreement with disclosure language, **2:91**

**Beneficiaries**  
life/accident insurance, form of beneficiary designation for, **3:68**  
retirement plans and planning, beneficiary designations, **8:275, 8:278- 8:282**

Charitable remainder annuity trust, **5:533**

Credit shelter bypass trust, **4:541, 5:529**

Crummey powers, **5:532**

**Disclaimers**  
generally, **4:539**  
general disclaimer, **15:107**  
partial disclaimer, **15:109**  
retirement plans and planning, form of disclaimer of trust, **8:272**  
total disclaimer, **15:108**

**Disclosure**  
attorneys' fee agreement with disclosure language, **2:91**

**FORMS—Cont'd**

Durable power of attorney. Lifetime planning, below  
 Family limited partnerships  
 certificate of limited partnership, **13:64**  
 manager, limited partnership with partnership manager, **13:65**  
 Guardian, lifetime planning, form of Estates Code declaration of guardian, **9:108**  
 Holographic will, self-proving affidavit, **4:537**  
 Information gathering and counseling of client  
 beneficiary designation for corporate employee life/accident insurance, **3:68**  
 corporate employee life/accident insurance, form of beneficiary designation for, **3:68**  
 life/accident insurance, form of beneficiary designation for, **3:68**  
 Insurance  
 life/accident insurance, form of beneficiary designation for, **3:68**  
 life insurance trust  
 Crummey powers, **5:532**  
 irrevocable trust, **5:532**  
 Inter vivos trust, form of postponement of distribution of, **5:537**  
 In terrorem clause, **5:528**  
 IRAs. Retirement plans and planning, below  
 IRD, allocation to marital deduction amount, **8:283**  
 Irrevocable trust, **5:532**  
 Joint representation statement, **5:523**  
 Life insurance trust. Trusts, below  
 Lifetime planning  
 directive to physicians, statutory form for, **9:107**  
 durable power of attorney  
 general durable power of attorney, **9:102**  
 notice of revocation of general power of appointment, **9:104**

**FORMS—Cont'd**

Lifetime planning—Cont'd  
 durable power of attorney—Cont'd  
 special/limited power of attorney, **9:103**  
 statutory forms, **9:102**  
 general durable power of attorney, **9:102**  
 guardian, form of Estates Code declaration of, **9:108**  
 Health and Safety Code Section 711.002 appointment of agent to control disposition of remains, **9:110**  
 medical power of attorney, statutory form of, **9:105**  
 mental health treatment, statutory form for declaration of, **9:106**  
 notice of revocation of general power of appointment, **9:104**  
 power of attorney  
 durable power of attorney, above, this group  
 notice of revocation of general power of appointment, **9:104**  
 remains  
 Health and Safety Code Section 711.002 appointment of agent to control disposition of remains, **9:110**  
 letter directive for disposition of remains, **9:109**  
 special/limited power of attorney, **9:103**  
 Marital deduction amount, form of allocation of IRD to, **8:283**  
 Marital deduction trust. Trusts, below  
 Medical power of attorney, statutory form of, **9:105**  
 Mental health treatment, statutory form for declaration of, **9:106**  
 Notice, lifetime planning, notice of revocation of general power of appointment, **9:104**  
 Physicians, directive to physicians, statutory form for, **9:107**  
 Postponement of distribution, **5:537**  
 Power of attorney. Lifetime planning, above

## INDEX

### FORMS—Cont'd

- QDOT trust, **5:531**
- QTIP lead trust, **4:542**
- QTIP trust
  - generally, **5:530**
  - QTIP lead trust and residuary credit shelter bypass trust, **4:542**
  - QTIP residuary trust, credit shelter bypass trust and, **4:541**
  - retirement plans and planning, QTIP trust, form of will provisions relating to, **8:277**
- Remains
  - lifetime planning, above
  - wills, form of appointment of agent to control disposition of remains, **4:538**
- Removal of trustee, **5:527**
- Retirement plans and planning
  - beneficiary designations, **8:275**
  - disclaimer of trust, **8:272**
  - form of revocable plan benefits trust, **8:276**
  - gift of NPSs interest to participant, **8:271**
- IRAs
  - agreement relating to, **8:273, 8:274**
  - beneficiary designations, **8:278-8:282**
- IRD, allocation to marital deduction amount, **8:283**
- marital deduction amount, form of allocation of IRD to, **8:283**
- QTIP trust, form of will provisions relating to, **8:277**
- will provisions, form of revocable plan benefits trust, **8:276**
- Section 142 trust. Trusts, below
- Self-proving affidavit, **4:535, 4:536, 4:537**
- Small trust provision, **5:525**
- Trusts
  - attorneys
    - joint representation statement, **5:523**
  - multiple generations of same family, form of representa-

### FORMS—Cont'd

- Trusts—Cont'd
  - attorneys—Cont'd
    - tion statement for, **5:524**
  - bypass trusts, credit shelter bypass trust, **5:529**
  - charitable remainder annuity trust, **5:533**
  - credit shelter bypass trust, **5:529**
  - Crummey powers, **5:532**
  - In terrorem clause, **5:528**
  - inter vivos trust, form of postponement of distribution of, **5:537**
  - irrevocable trust, **5:532**
  - joint representation statement, **5:523**
  - life insurance trust
    - Crummey powers, **5:532**
    - irrevocable trust, **5:532**
  - marital deduction trust
    - QDOT trust, **5:531**
    - QTIP trust, **5:530**
  - multiple generations of same family, form of representation statement for, **5:524**
  - postponement of distribution, **5:537**
  - QDOT trust, **5:531**
  - QTIP trust, **5:530**
  - removal of trustee, **5:527**
  - section 142 trust
    - application, **5:534**
    - decree for, **5:535**
    - standard 142 trust for healthy minor, **5:536**
  - section 2503(c) trust, **5:538**
  - small trust provision, **5:525**
  - successor trustee provision, **5:526**
  - trustee, removal of trustee, **5:527**
- Wills
  - credit shelter bypass trust and QTIP residuary trust, form of will with, **4:541**
  - disclaimer will, **4:539**
  - disposition of remains, form of appointment of agent to control, **4:538**
  - holographic will, self-proving affidavit, **4:537**

**FORMS—Cont'd**

Wills—Cont'd  
    outright marital and residuary credit shelter bypass trust, form of will with, **4:543**  
    QTIP lead trust and residuary credit shelter bypass trust, form of will with, **4:542**  
    remains, form of appointment of agent to control disposition of, **4:538**  
    retirement plans and planning, form of revocable plan benefits trust, **8:276**  
    self-proving affidavit, **4:535, 4:536, 4:537**  
    simple will, no tax planning, **4:540**  
    Withdrawal, attorney withdrawal letter, **2:93**

**FORMULAS**

    Disclaimers, formula amount, **15:33**  
    Income taxation of trusts and estates, formula gifts or debts, **7:106-7:109**  
    Tax planning. See index heading TAX PLANNING

**FOUR TRUST REGULATORY REQUIREMENTS**

    Retirement plans and planning, **8:105**

**FRACTIONS AND FRACTIONAL SHARES**

    Retirement plans and planning, **8:186**  
    Tax planning. See index heading TAX PLANNING  
    Wills, **4:288**

**FRANCHISE TAXES**

    Business planning, **11:42**  
    Family limited partnerships, **13:46, 13:55**

**FRAUD AND DECEIT**

    Attorney-client relationship, false statements, **2:37**  
    Community property system, fraud on spouse doctrine, **1:44**  
    Trusts, fraudulent purposes, **5:165-5:167**  
    Wills, **4:504, 4:521, 4:525**

**FULL DISCLOSURE**

    Attorney-client relationship, managing of, **2:23**

**FULL OR TOTAL DISCLAIMERS**

    General discussion, **15:17**

**FUNDING**

    Family limited partnerships, **13:58-13:63**  
    Insurance trust, **5:491**  
    Tax planning. See index heading TAX PLANNING

**FUNERALS AND FUNERAL EXPENSES**

    Information gathering and counseling of client as to cemetery plot, **3:22**  
    Instructions for burial, **9:92**  
    Lifetime planning, **9:99, 9:100**  
    Trusts, **5:382**  
    Wills, **4:108**

**FUTURE INTEREST**

    Dispositive planning, **10:106**

**GENERAL DURABLE POWER OF ATTORNEY**

    General discussion, **9:13**

**GENERATION-SKIPPING TRANSFER TAXES**

    Closely held business or stock, long-term payout of estate taxes, **11:139**

    Disclaimers, **15:35**

    Federal transfer tax system generally, **6:165-6:227**  
        for detailed treatment see index heading FEDERAL TRANSFER TAX SYSTEM

    Information gathering and counseling of client, **3:56**

    Retirement plans. See index heading RETIREMENT PLANS AND PLANNING

    Tax planning general discussion, **12:19-12:21, 12:83-12:87**  
        for detailed treatment see index heading TAX PLANNING

## INDEX

**GENERATION-SKIPPING TRANSFER TAXES—Cont'd**  
Texas transfer tax system  
for detailed treatment see index  
heading TEXAS TRANSFER TAX SYSTEM  
Trusts  
general discussion, **5:467- 5:479**  
for detailed treatment see index  
heading TRUSTS  
Wills, **4:250**

**GIFTS AND GRATUITIES**  
Federal transfer tax system, gratuitous services, **6:44**  
Income taxation of trusts and estates, **7:114**  
Lifetime planning. See index heading LIFETIME PLANNING  
Tax planning  
general discussion, **12:118-12:233**  
for detailed treatment see index  
heading TAX PLANNING

**GIFT TAXES**  
Dispositive planning, **10:33, 10:34**  
Federal transfer tax system  
generally, **6:19-6:80**  
for detailed treatment see index  
heading FEDERAL TRANSFER TAX SYSTEM  
Grantor-retained annuity trusts, **11:89**  
Income taxation of trusts and estates, **7:85**  
Information gathering and counseling of client, **3:55**  
Retirement plans and planning, **8:82**  
Tax planning  
general discussion, **12:11-12:18**  
for detailed treatment see index  
heading TAX PLANNING

**GOALS OF ESTATE PLANNING**  
General discussion, **1:7-1:30**  
Access, control over, **1:28**  
Constraints, **1:30**  
Control of assets, generally, **1:22- 1:29**  
Disabled persons, transfers to, **1:11**  
Dispositive desires, generally, **1:7**

**GOALS OF ESTATE PLANNING**  
—Cont'd  
Distribution, control over, **1:29**  
Effective management, **1:13-1:15**  
Minors, transfers to, **1:11**  
Protecting assets, **1:12-1:21**  
Tax minimization, **1:13-1:16**  
Third parties, protecting from loss to, **1:17-1:21**  
Transfer to desired beneficiaries, **1:8- 1:11**

**GOOD FAITH**  
Trustees duty of, **5:364**

**GOVERNING AUTHORITY AND LAW**  
Community property system, **1:47**  
Disclaimers, **15:2-15:4**  
Trusts  
general discussion, **5:32- 5:54**  
for detailed treatment see index  
heading TRUSTS

**GRANDCHILDREN**  
Dispositive planning  
general discussion, **10:147-10:153**  
for detailed treatment see index  
heading DISPOSITIVE PLANNING  
Tax planning. See index heading TAX PLANNING

**GRANDFATHERED TRUST**  
Federal transfer tax system, **6:199- 6:203**

**GRANTOR**  
Trusts. See index heading TRUSTS

**GRANTOR RETAINED ANNUITY TRUST (GRAT)**  
Tax planning  
general discussion, **12:246-12:290**  
for detailed treatment see index  
heading TAX PLANNING

**GRANTOR RETAINED INCOME TRUST (GRIT)**  
Business planning, **11:4**  
Tax planning. See index heading TAX PLANNING

**GRATUITIES**

See index heading **GIFTS AND GRATUITIES**

**GRIEF**

Attorney-client relationship, managing of, **2:15**

**GROSS ESTATE TAX**

Federal transfer tax system, **6:162**

**GROSS INCOME**

Income taxation of trusts and estates, **7:8**

**GST TAXES**

See index heading **GENERATION-SKIPPING TRANSFER TAXES**

**GUARDIANS AND GUARDIANSHIP**

Disclaimers, **15:80**

Dispositive planning, **10:86**

Lifetime planning. See index heading **LIFETIME PLANNING**

Trusts. See index heading **TRUSTS**

Wills

general discussion, **4:223- 4:228**

for detailed treatment see index heading **WILLS**

**HANDICAPPED PERSONS**

See index heading **DISABILITY**

**HANGING POWER**

Life insurance trusts, **5:490**

**HEALTH OF GRANTOR**

Grantor retained annuity trust (GRAT), **12:287**

**HEIRS**

Disclaimers, **15:85**

Wills. See index heading **WILLS**

**HIGHLY APPRECIATING PROPERTY**

Dynasty trust fund with, **12:214, 12:215**

**HOLOGRAPHIC WILLS**

Wills

general discussion, **4:74- 4:82**

**HOLOGRAPHIC WILLS—Cont'd**

Wills—Cont'd  
for detailed treatment see index heading **WILLS**

**HOMESTEAD**

Dispositive planning, **10:169**

Domicile, **1:82**

Tax planning. See index heading **TAX PLANNING**

Wills, **4:41, 4:355- 4:357**

**HOSPITALIZED TESTATOR**

Testamentary capacity, **4:98**

**HOUSEHOLD EFFECTS**

Wills, **4:130**

**HUSBAND AND WIFE**

See index heading **SPOUSES**

**IDENTIFICATION AND DESCRIPTION**

Income taxation of trusts and estates, **7:90-7:92**

Information gathering and counseling of client, **3:35, 3:66**

Trusts, identification of client, **5:4**

Will beneficiary

general discussion, **4:229- 4:243**

for detailed treatment see index heading **WILLS**

**ILLEGITIMATE CHILDREN**

Wills, **4:119, 4:393**

**IMPARTIALITY**

Trustee's duty of, **5:363**

**IMPLIED POWERS**

Trustee, **5:384**

**INCAPACITATED BENEFICIARIES**

Trusts, **5:132, 5:269- 5:271**

**INCARCERATED PERSONS**

Wills, **4:36**

**INCLUSION RATIO**

Federal transfer tax. See index heading **FEDERAL TRANSFER TAX SYSTEM**

## INDEX

### INCOME

Retirement plans. See index heading  
RETIREMENT PLANS AND PLANNING  
Tax. See index heading INCOME TAX  
Trusts. See index heading TRUSTS

### INCOME TAX

Family limited partnerships, **13:49-13:54**  
Trusts and estates. See index heading  
INCOME TAXATION OF TRUSTS AND  
ESTATES

### INCOME TAXATION OF TRUSTS AND ESTATES

General discussion, **7:1-7:121**  
Accumulation distribution rules, **7:21**  
Adjusted gross income  
general discussion, **7:9-7:13**  
depreciation, depletion, amortization, **7:13**  
distribution deduction, **7:10**  
no standard deduction, **7:12**  
two percent floor, elimination of, **7:11**  
Administrative powers held by  
grantor, **7:71**  
Aggregate inclusion to distributable  
net income, limitation of, **7:35**  
Amortization, adjusted gross income, **7:13**  
Annuities, special classification of, **7:51-7:53**  
Basic terms and concepts, **7:7-7:23**  
Basis for tax  
general discussion, **7:113-7:121**  
beneficiaries, **7:121**  
capital gains tax rules, repeal of  
application of, **7:118**  
decedent's estate, **7:119, 7:120**  
gifts, **7:114**  
inter vivos trust included in  
deceased's estate, **7:117**  
repeal of application of capital  
gains tax rules, **7:118**  
testamentary trust, **7:116**  
trusts, **7:115-7:118**  
Beneficiaries  
basis for tax, **7:121**  
complex trusts, **7:36**

### INCOME TAXATION OF TRUSTS AND ESTATES—Cont'd

Beneficiaries—Cont'd  
different taxable years for trust and  
beneficiary, **7:29, 7:38**  
simple trusts, limitations on taxability of  
beneficiaries, **7:27**  
Capital gains tax rules, repeal of  
application of, **7:118**  
Character of amounts in hands of  
beneficiaries, **7:28**  
Complex trusts  
general discussion, **7:30-7:40**  
aggregate inclusion to distributable  
net income, limitation of, **7:35**  
amounts required to be distributed  
currently, **7:57**  
annuities, special classification of, **7:51-7:53**  
beneficiaries, income taxation of, **7:36**  
different taxable years for trust and  
beneficiary, **7:38**  
distributable net income (DNI),  
limitations on, **7:33, 7:34**  
distributions of in-kind property, **7:37**  
effect of complex trust treatment, **7:32-7:37**  
election, requirements for, **7:60**  
exclusion of certain gifts or  
bequests, **7:40**  
first tier, **7:52**  
first tier amounts, **7:49**  
in-kind distributions, **7:37, 7:59**  
legal obligations, amounts used to  
discharge, **7:55**  
limitations  
aggregate inclusion to distributable  
net income, **7:35, 7:56-7:58**  
amount of DNI, **7:33**  
character of DNI, **7:34**  
mutual exclusivity of tiers, lack of, **7:54**  
other amounts distributed, **7:58**  
second tier amounts, **7:50, 7:53**

**INCOME TAXATION OF TRUSTS AND ESTATES—Cont'd**

Complex trusts—Cont'd  
 separate shares treated as separate trusts, **7:39**  
 simple vs complex trusts, **7:22**  
 taxation requirements, **7:31**  
 trust distributions, income taxation of, generally, **7:47-7:60**  
 two tier system, **7:48-7:50**  
 unification of tax treatment of revocable trusts and estates, **7:41**  
 Debts, distribution of estate assets in satisfaction of, **7:108**  
 Deductions  
 estates, income taxation of, **7:87**  
 wastage of, **7:46**  
 Depletion, adjusted gross income, **7:13**  
 Depreciation, adjusted gross income, **7:13**  
 Different taxable years for trust and beneficiary, **7:29, 7:38**  
 Disclaimers, income taxation of trust distributions, **7:83-7:85**  
 Dispositive planning, **10:37, 10:76, 10:236**  
 Distributable net income (DNI)  
 basic terms and concepts, **7:15**  
 complex trusts, limitations on DNI, **7:33, 7:34**  
 estates, income taxation of, **7:101-7:105**  
 simple trusts, computation of DNI, **7:25**  
 Distribution deduction, adjusted gross income, **7:10**  
 Distributions  
 estate taxation of. See Estates, income taxation of, below  
 in-kind distributions, **7:37, 7:59**  
 Election, requirements for complex trusts, **7:60**  
 Employer identification number (EIN), **7:2**  
 Estate election, fiscal or calendar tax year, **7:6**

**INCOME TAXATION OF TRUSTS AND ESTATES—Cont'd**

Estates, income taxation of  
 general discussion, **7:86-7:112**  
 application of general income tax principles, **7:86**  
 debts, distribution of estate assets in satisfaction of, **7:108**  
 deductions in respect of decedent, **7:87**  
 distributable net income, generally, **7:101-7:105**  
 distributions, taxation of, generally, **7:100-7:110**  
 expenses of estate, allocation of, **7:93, 7:97-7:99**  
 formula gifts or debts, distribution of estate assets in satisfaction of, **7:106-7:109**  
 identification of income, **7:90-7:92**  
 income, allocation of, generally, **7:88-7:96**  
 net income, allocation of, **7:94-7:96**  
 non pro-rata distribution of estate assets, **7:110**  
 pecuniary gifts, distribution of estate assets in satisfaction of, **7:107**  
 residuary income, allocation of net income, **7:96**  
 Section 643(e)(3) election, **7:109**  
 separate share rule exception to distributable net income, **7:105**  
 special rules relating to income of decedent, **7:86**  
 specific bequests, **7:95, 7:102-7:104**  
 statutory allocation of income and expenses, **7:92, 7:99**  
 termination of distributions, **7:111, 7:112**  
 three installments, determination of, **7:104**  
 undue prolongation of estate administration, **7:112**  
 will, allocation of expenses and income in accordance with, **7:91, 7:98**

## INDEX

**INCOME TAXATION OF TRUSTS AND ESTATES—Cont'd**

Exceptions to separate taxpayer rule, **7:3, 7:4**  
Exclusion of certain gifts or bequests, **7:40**  
Expenses of estate, allocation of, **7:93, 7:97-7:99**  
Federal transfer tax system. See index heading **FEDERAL TRANSFER TAX SYSTEM**  
Fiduciary, basic terms and concepts, **7:9**  
Final distribution, termination of distributions on, **7:64**  
First tier amounts, complex trusts, **7:49, 7:52**  
Formula gifts or debts, distribution of estate assets in satisfaction of, **7:106-7:109**  
Gifts, basis for tax, **7:114**  
Gift tax and income tax, relationship of, **7:85**  
Grantor retained annuity trusts, **11:94-11:99**  
Grantor trust exception to separate taxpayer rule, **7:4**  
Gross income, basic terms, **7:8**  
Identification of income, **7:90-7:92**  
Income in respect to decedent, basic terms, **7:16**  
In-kind distributions, **7:37, 7:59**  
Inter vivos trust included in deceased's estate, **7:117**  
Legal obligations, amounts used to discharge, **7:55**  
Limitations complex trusts. See Complex trusts, above  
simple trusts, limitations on taxability of beneficiaries, **7:27**  
sixty-five day rule, limitations on, **7:19**  
Maximum taxability fixed by distributable net income, **7:45**  
Multiple trusts and separate taxpayer rule, **7:3**  
Mutual exclusivity of tiers, lack of, **7:54**

**INCOME TAXATION OF TRUSTS AND ESTATES—Cont'd**

Net income, allocation of, **7:94-7:96**  
Non pro-rata distributions, **7:61, 7:110**  
Pecuniary gifts, distribution of estate assets in satisfaction of, **7:107**  
Procedure to make sixty-five day rule election, **7:20**  
Prolongation of estate administration, **7:112**  
Qualified disclaimer, effect of, **7:84**  
Repeal of application of capital gains tax rules, **7:118**  
Residuary income, allocation of, **7:96**  
Retained interests, grantor trust based on, **7:75-7:77**  
Retained powers, grantor trust based on, **7:69-7:74**  
Retirement plans. See index heading **RETIREMENT PLANS AND PLANNING**  
Reversionary interests, grantor trust based on, **7:68**  
Revocation, grantor trust based on retained powers, **7:72**  
Second tier, complex trusts, **7:50, 7:53**  
Section 643(e)(3), income taxation of estates, **7:109**  
Separate share rule, **7:14, 7:39, 7:105**  
Separate taxpayers, estates and trusts as, **7:1-7:4**  
Simple trusts general discussion, **7:23-7:29**  
character of amounts in hands of beneficiaries, **7:28**  
death, special rule in case of, **7:44**  
deductions, wastage of, **7:46**  
different taxable years, income reporting for trust and beneficiary with, **7:29**  
DNI, computation of, **7:25**  
effect of simple trust treatment, **7:26-7:28**  
limitations on taxability of beneficiaries, **7:27**  
maximum taxability fixed by distributable net income, **7:45**  
taxation requirements for, **7:24**

**INCOME TAXATION OF TRUSTS  
AND ESTATES—Cont'd**

Simple trusts—Cont'd  
    trust distributions, income taxation  
        of, generally, **7:43-7:46**  
        wastage of deductions, **7:46**  
Simple vs complex trusts, **7:22**  
Sixty-five day rule, **7:18-7:20**  
Special rules  
    income of decedent, **7:86**  
    simple trusts in case of death, **7:44**  
Specific bequests, **7:95, 7:102-7:104**  
Stated events, termination of distributions on, **7:63**  
Statutory allocation of income and expenses, **7:92, 7:99**  
Subchapter J, application of, **7:5**  
Support obligations, **7:77, 7:82**  
Tax planning. See index heading **TAX PLANNING**  
Tentative taxable income, **7:17**  
Termination of distributions  
    estates, income taxation of, **7:111, 7:112**  
    trust distributions, income taxation  
        of, **7:62-7:64**  
Testamentary trust, basis for tax, **7:116**  
Three installments, determination of, **7:104**  
Transfer taxes  
    general discussion, **6:8-6:13**  
    for detailed treatment see index heading **TRANSFER TAXATION**  
Trust distributions, income taxation of  
    general discussion, **7:42-7:85**  
    administrative powers, grantor treated as owner and taxpayer, **7:71**  
    complex trusts. See **Complex trusts, above**  
    disclaimer, effect of, **7:83-7:85**  
    final distribution, termination of distributions on, **7:64**  
    gift tax and income tax, relationship of, **7:85**

**INCOME TAXATION OF TRUSTS  
AND ESTATES—Cont'd**

Trust distributions, income taxation of—Cont'd  
    grantor treated as owner and taxpayer  
        general discussion, **7:65-7:78**  
        administrative powers, **7:71**  
        adverse parties, **7:73, 7:74**  
        beneficial enjoyment, **7:70**  
        consequences of grantor trust status, **7:78**  
    current taxation, **7:67**  
    historical overview, **7:66**  
    retained interests, grantor trust based on, **7:75-7:77**  
    retained powers, grantor trust based on, **7:69-7:74**  
    reversionary interests, grantor trust based on, **7:68**  
    revocation, **7:72**  
    support obligations, ability to discharge, **7:77**  
    nongrantor treated as owner and taxpayer  
        general discussion, **7:79-7:85**  
        current taxation, **7:81**  
        disclaimer, effect of, **7:83-7:85**  
        gift tax and income tax, relationship of, **7:85**  
        historical overview, **7:80**  
        qualified disclaimer, effect of, **7:84**  
        support obligations, **7:82**  
    non pro-rata distributions, **7:61**  
    qualified disclaimer, effect of, **7:84**  
    retained interests, grantor trust based on, **7:75-7:77**  
    retained powers, grantor trust based on, **7:69-7:74**  
    reversionary interests, grantor trust based on, **7:68**  
    revocation, grantor treated as owner and taxpayer, **7:72**  
    simple trusts. See **Simple trusts, above**  
    stated events, termination of distributions on, **7:63**  
    support obligations, **7:77, 7:82**

## INDEX

**INCOME TAXATION OF TRUSTS AND ESTATES—Cont'd**  
Trust distributions, income taxation of—Cont'd  
termination of distributions, 7:62-7:64  
type of trust as determining taxation, 7:42  
Two percent floor, elimination of, 7:11  
Two tier system, complex trusts, 7:48-7:50  
Type of trust as determining taxation, 7:42  
Undue prolongation of estate administration, 7:112  
Unification of tax treatment of revocable trusts and estates, 7:41  
Wastage of deductions, 7:46  
Will, allocation of income and expenses in accordance with, 7:91, 7:98

**INCORPORATION BY REFERENCE**  
Trusts, 5:400  
Wills  
general discussion, 4:339- 4:348  
for detailed treatment see index heading WILLS

**INDEPENDENT VERSUS DEPENDENT ADMINISTRATION**  
Wills, 4:159- 4:164

**INDEX OF DEPOSITED WILLS**  
Wills, 4:476

**INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)**  
General discussion, 1:41-1:43  
Agreement relating to, forms, 8:273, 8:274  
Beneficiary designations, forms of, 8:278- 8:282  
Bypass trust as beneficiary, 8:223  
Community property laws, 8:69, 8:70, 8:76  
Information gathering and counseling of client, 3:27

**INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)—Cont'd**  
Married participants-optimal beneficiary designations, 8:85- 8:87  
Minimum distribution rules, required beginning date (RBD), 8:17  
Nonparticipant spouse, designation of beneficiary by, 1:43  
Owner, designation of beneficiary by, 1:42  
Rollovers, 8:266- 8:268  
Tax considerations, 8:38, 8:45

**INDIVIDUAL RETIREMENT ACCOUNTS (IRAs)**  
Dispositive planning, 10:203, 10:219  
Federal transfer tax system, 6:131  
Tax planning, 12:144

**INFORMATION GATHERING AND COUNSELING OF CLIENT**  
General discussion, 3:1-3:67  
Administrative activities, tickler systems, 3:61  
Advisors of client, participation in interviews with client, 3:14-3:17  
Alternative lifestyles of family members, 3:44  
Assets and liabilities of client  
general discussion, 3:19-3:34  
for detailed treatment see index heading INFORMATION GATHERING AND COUNSELING OF CLIENT  
cemetery plot, 3:22  
checklists of asset inventory, 3:62-3:65  
contents of inventory questionnaire, 3:33  
current beneficiary designations, obtaining information, 3:25  
excludable cemetery plot, 3:22  
format of inventory questionnaire, 3:33  
individual retirement accounts (IRAs), 3:27  
inventory questionnaire, 3:31-3:33  
legal status of beneficiaries, 3:24-3:30  
legal title only, 3:21  
life insurance, 3:28

**INFORMATION GATHERING AND  
COUNSELING OF CLIENT**

—Cont'd

- Assets and liabilities of client
  - Cont'd
  - list of client's assets and liabilities, **3:19-3:30, 3:34**
  - payable on death accounts, **3:29**
  - pension plans, **3:30**
  - qualified benefit plans, **3:26**
  - retirement plans, **3:26**
  - value of gross estate, **3:20**
- Assistants, information gathering, **3:6**
- Beneficiary designations
  - general discussion, **3:23-3:30**
  - form of beneficiary designation for corporate employee life/accident insurance, **3:68**
- Cemetery plot, **3:22**
- Certainty level in interviews with client, **3:12**
- Checklists
  - asset inventory, **3:62-3:65**
  - identification of family members, **3:66**
  - power of attorney, preparation of, **3:67, 9:101**
- Chronologically projected client decisions, **3:57-3:61**
- Citizenship status of clients and beneficiaries, **3:45**
- Construction of Texas Disciplinary Rules of Professional Conduct, **3:3**
- Corporate employee life/accident insurance, form of beneficiary designation for, **3:68**
- Creditors, special needs considerations, **3:37**
- Defined benefit plans, **3:26**
- Disability, special needs considerations, **3:41**
- Dispositive goals, **3:46-3:50**
- Dissension, potential sources of, **3:42**
- Educating the client, **3:51-3:56**
- Estate taxes affecting estate, types of, **3:54**
- Ethical duties of attorney, **3:2, 3:4**
- Excludable cemetery plot, **3:22**

**INFORMATION GATHERING AND  
COUNSELING OF CLIENT**

—Cont'd

- Family relationships and personal information
  - general discussion, **3:35-3:45**
  - alternative lifestyles, **3:44**
  - checklist for identification of family members, **3:66**
  - citizenship status of clients and beneficiaries, **3:45**
  - creditors, special needs considerations, **3:37**
  - disability, special needs considerations, **3:41**
  - dissension, potential sources of, **3:42**
  - identification of family members, **3:35, 3:66**
  - interviews with client, participation of family members in, **3:13**
  - marital problems, **3:38, 3:43**
  - maturity, **3:39**
  - multiple marriages, **3:43**
  - nontraditional family relationships, **3:44**
  - power of attorney, preparation of, **3:67**
  - special needs considerations for intended beneficiaries, **3:36-3:41**
  - wealth, special needs considerations, **3:40**
- Federal taxes affecting estate, types of, **3:53-3:56**
- Financial planning advisors, participation in interviews with client, **3:16**
- Generation-skipping taxes affecting estate, types of, **3:56**
- Gift taxes affecting estate, types of, **3:55**
- Identification of family members, **3:35, 3:66**
- Individual retirement accounts (IRAs), **3:27**
- Interviews with client
  - general discussion, **3:9-3:18**

## INDEX

**INFORMATION GATHERING AND COUNSELING OF CLIENT**  
—Cont'd  
Interviews with client—Cont'd  
advisors of client, participation of, **3:14-3:17**  
certainty level, **3:12**  
family members, participation of, **3:13**  
financial planning advisors of client, participation of, **3:16**  
professional advisors of client, participation of, **3:14-3:17**  
source of information, **3:11**  
tax advisors of client, participation of, **3:15**  
testamentary capacity, goal of interaction as testing of, **3:18**  
verification, **3:12**  
who should be present, **3:10**  
Inventory of assets  
checklists, **3:62-3:65**  
questionnaire, **3:31-3:33**  
Keogh plans, **3:26, 3:30**  
Legal assistants, information gathering by, **3:6**  
Legal status of beneficiaries, **3:24-3:30**  
Legal title only to assets, **3:21**  
Liabilities. See Assets and liabilities of client, above  
Life/accident insurance, form of beneficiary designation for, **3:68**  
Life insurance, **3:17, 3:28**  
List of client's assets and liabilities, **3:19-3:30, 3:34**  
Marital problems, **3:38, 3:43**  
Maturity, **3:39**  
Multiple marriages, **3:43**  
Nontraditional family relationships, **3:44**  
Obtaining client decisions, **3:57-3:61**  
Payable on death accounts, **3:29**  
Pension plans, **3:30**  
Personal information. See Family relationships and personal information, above  
Power of attorney, preparation of, **3:67**  
**INFORMATION GATHERING AND COUNSELING OF CLIENT**  
—Cont'd  
Pre-probate client decisions, **3:59**  
Primary beneficiaries, **3:47-3:49**  
Probate client decisions, **3:60**  
Professional advisors of client, participation in interviews, **3:14-3:17**  
Qualified benefit plans, **3:26**  
Retirement plans, **3:26**  
Source of information in interviews with client, **3:11**  
Special needs considerations for intended beneficiaries, **3:36-3:41**  
Staff of attorney, information gathering by, **3:6**  
Structure of transfers, **3:50**  
Tax advisors of client, participation in interviews with client, **3:15**  
Taxes affecting estate, types of, **3:53-3:56**  
Testamentary capacity, goal of interaction as testing of, **3:18**  
Texas Disciplinary Rules of Professional Conduct, **3:2, 3:3**  
Tickler systems, **3:58-3:61**  
Timing of transfers, **3:50**  
Types of federal taxes affecting estate, **3:53-3:56**  
Uniform single-party or multiple-party account, **3:69**  
Value of gross estate, **3:20**  
Verification in interviews with client, **3:12**  
Wealth, special needs considerations, **3:40**  
Who is to receive property, **3:46-3:49**  
**INFORMED CONSENT**  
Attorney-client relationship, managing of, **2:23**  
**INHERITANCE TAX**  
Texas transfer tax system  
for detailed treatment see index heading TEXAS TRANSFER TAX SYSTEM

**INJUNCTIONS**

Trusts, **5:445**

**IN-KIND DISTRIBUTIONS**

Income taxation of trusts and estates,  
**7:37, 7:59**

**INSANE DELUSIONS**

Wills, **4:94, 4:515**

**INSURANCE**

Buy-sell agreements, insurance used  
to fund, **11:173-11:182**

Tax planning. See index heading **TAX  
PLANNING**

Trusts. See index heading **TRUSTS**  
Wills, **4:267**

**INTEGRATION**

Wills, **4:349**

**INTEGRITY**

Trustee, **5:339**

**INTENT OR INTENTION**

Dispositive planning, **10:3-10:6,  
10:126, 10:143**

Trust, intention to create, **5:157**  
Wills. See index heading **WILLS**

**INTEREST**

Personal residence trust (PRT),  
**12:356**

Wills, **4:278**

**INTEREST-FREE LOANS**

Federal transfer tax system, **6:42**

**INTERLINEATIONS**

Wills, **4:49, 4:81**

**“INTERMEDIARY,” LAWYER AS**

Attorney-client relationship, managing  
of, **2:40-2:42**

**INTERNAL REVENUE CODE**

Trusts. See index heading **TRUSTS**

**INTERPRETATION**

See index heading **CONSTRUCTION AND  
INTERPRETATION**

**IN TERRORREM CLAUSE**

Form of, **5:528**

Trusts, **5:457**

**INTERVIEWS WITH CLIENT**

Information gathering and counseling  
of client  
general discussion, **3:9-3:18**  
for detailed treatment see index  
heading **INFORMATION GATHERING  
AND COUNSELING OF CLIENT**

**INTER VIVOS TRUSTS**

General discussion, **5:62, 5:152**  
Disclaimers, **15:54, 15:60**  
Form of postponement of distribution  
of, **5:537**  
Income taxation of trusts and estates,  
**7:117**

**INTESTATE SUCCESSION**

Disclaimers, **15:34**  
Probate  
general discussion, **1:63-1:72**  
for detailed treatment see index  
heading **PROBATE**

**INTRAFAMILY TRANSFERS**

Federal transfer tax system, **6:25-  
6:27**

**INVASION OF PRINCIPAL**

Trusts. See index heading **TRUSTS**

**INVENTORY OF ASSETS**

Information gathering. See index  
heading **INFORMATION GATHERING  
AND COUNSELING OF CLIENT**

**INVENTORY VALUE**

Trusts, **5:81**

**INVESTIGATION**

Trusts, **5:377**

**INVESTMENTS**

Trusts  
general discussion, **5:182- 5:190**  
for detailed treatment see index  
heading **TRUSTS**

**IRAs**

See index heading **INDIVIDUAL RETIRE-  
MENTS ACCOUNTS (IRAS)**

**IRD ISSUES**

Allocation to marital deduction  
amount, form of, **8:283**

## INDEX

### **IRD ISSUES—Cont'd**

Retirement plans. See index heading  
RETIREMENT PLANS AND PLANNING  
Wills, **4:304**

### **IRREVOCABLE**

See index heading REVOCABLE OR  
IRREVOCABLE

### **JOINT ACCOUNTS**

Dispositive planning, **10:174-10:178**

### **JOINTLY HELD PROPERTY**

Disclaimers, **15:63-15:65, 15:72**

### **JOINT REPRESENTATION**

Form of statement, **5:523**  
Wills, **4:4**

### **JOINT TENANCY WITH RIGHT OF SURVIVORSHIP**

Dispositive planning, **10:223**

### **JOINT WILLS**

General discussion, **4:437, 4:499**

### **JUDGMENTS**

Trusts. See index heading TRUSTS

### **JURISDICTION**

Trusts. See index heading TRUSTS

### **KEOGH PLANS**

Information gathering and counseling  
of client, **3:26, 3:30**

### **LACHES OR DELAY**

Attorney-client relationship, managing  
of, **2:60**

### **LANGUAGE OF INSTRUMENT**

Wills, **4:367**

### **LAPSE**

General power of appointment, **6:53,  
6:102**  
Wills, **4:127**

### **LATE DISTRIBUTIONS**

Retirement plans and planning, **8:48**

### **LEAD TRUSTS**

General discussion, **5:493- 5:495**

### **LEASES**

Trusts, **5:197**

### **LEGACIES**

Wills. See index heading WILLS

### **LEGAL ASSISTANTS**

Attorney-client relationship, managing  
of, **2:10**  
Information gathering and counseling  
of client, **3:6**

### **LEGISLATURE**

Attorney-client relationship, managing  
of, **2:4**

### **LEVERAGING**

Tax planning  
general discussion, **12:189-12:198**  
for detailed treatment see index  
heading TAX PLANNING

### **LIABILITIES**

Lifetime planning. See index heading  
LIFETIME PLANNING

Trusts. See index heading TRUSTS

### **LIENS AND ENCUMBRANCES**

Federal transfer tax system, **6:124**

### **LIFE ESTATES**

Disclaimers. See index heading

DISCLAIMERS

Dispositive planning, **10:107**

Federal transfer tax. See index heading  
FEDERAL TRANSFER TAX SYSTEM

Marital deduction trusts and gifts,  
**12:77**

Wills, **4:254**

### **LIFE INSURANCE**

Dispositive planning, **10:191-10:199**

Family limited partnerships (FLP),  
**13:33**

Federal transfer tax system, **6:90,  
6:104, 6:151**

Information gathering and counseling  
of client, **3:17, 3:28**

Tax planning. See index heading TAX  
PLANNING

Trusts

general discussion, **5:480- 5:491**  
for detailed treatment see index  
heading TRUSTS

Wills, **4:40**

**LIFETIME DISTRIBUTIONS**

Retirement plans and planning, **8:4**

**LIFETIME PLANNING**

General discussion, **1:3 et seq., 9:1-9:101**

Absence of medical power of attorney, procedures in event of, **9:63**

Acceptance and reliance on durable power of attorney, **9:45**

Acknowledgment of durable power of attorney, **9:17**

Anatomical gifts, **9:95-9:98**

Appointment of agent to control disposition of remains, **9:93**

Banking transactions, durable power of attorney for, **9:37**

Bond related transactions, durable power of attorney for, **9:36**

Burial instructions, generally, **9:92**

Business operation transactions, durable power of attorney for, **9:38**

Challenges, planning for, **9:49**

Checklist for preparation of power of attorney, **9:101**

Children, designation of agent to make health care decisions for, **9:87-9:90**

Co-agents and successor agents, **9:25**

Conflict of powers or consents, **9:62**

Consent to medical treatment general discussion, **9:76-9:80**

children, designation of agent to make health care decisions for, **9:88-9:90**

liabilities, **9:80**

prerequisites for consent, **9:79**

subject matter of consent, **9:78**

surrogate decision-makers, **9:77**

Texas Consent to Medical Treatment Act, generally, **9:63, 9:76**

who may consent, **9:77**

Construction and interpretation. See Durable power of attorney, below

Contentious family relationships, planning for challenges, **9:52**

**LIFETIME PLANNING—Cont'd**

Corporate fiduciaries, **9:6**

Current or springing power of attorney, **9:19**

Death

attorney in fact or agent, termination, unable to serve, **9:29**

post-death issues. See Post-death issues, planning for, below

Definitions, **9:16, 9:24**

Directives to physicians. See Medical and personal needs, planning for, below

Directive to physicians, statutory form for, **9:107**

Disclosure statement

medical power of attorney, **9:55**

Disposition of remains, planning for, **9:91-9:94**

Disregard of declaration for mental health treatment, **9:69**

Do not resuscitate (“DNR”) directives, **9:81-9:83**

Durable power of attorney general discussion, **9:9-9:45**

acceptance and reliance, **9:45**

acknowledgment, **9:17**

advantages in using property management power of attorney, **9:10**

advising those acting under durable power, generally, **9:31-9:45**

banking transactions, construction of, **9:37**

bond related transactions, construction of, **9:36**

business operation transactions, construction of, **9:38**

checklist for preparation of power of attorney, **9:101**

co-agents and successor agents, **9:25**

construction and interpretation, generally, **9:32-9:40**

current or springing power, **9:19**

definitions, **9:16, 9:24**

drafting considerations, **9:18-9:25**

drafting requirements, **9:15-9:17**

## INDEX

### LIFETIME PLANNING—Cont'd

Durable power of attorney—Cont'd  
duration, **9:20**  
effective dates, **9:19**  
estate transactions, construction of, **9:39**  
execution, **9:17**  
fiduciary standard of care, **9:41**  
financial institution transactions, construction of, **9:37**  
forms of, **9:102**  
general durable power of attorney, **9:13**  
form of, **9:102**  
gifts, specificity in granting power, **9:23**  
language, statutory form, **9:21**  
limitations on power, **9:43**  
marriage between agent and principal dissolved or declared void, **9:30**  
medical power of attorney, property management powers distinguished from, **9:11**  
nondelegable power, **9:44**  
notice  
revocation of general power of appointment, form of, **9:104**  
third parties, notice to, **9:45**  
real property transactions, construction of, **9:34**  
reliance, **9:45**  
revocation, **9:26**  
special durable power of attorney, **9:14**  
special/limited power of attorney, form of, **9:103**  
specificity in granting power, **9:22-9:25**  
springing power, **9:19, 9:24**  
standard of care, **9:41**  
statutory requirements, generally, **9:9**  
stock and bond transactions, construction of, **9:36**  
tangible personal transactions, construction of, **9:35**  
tax matters, construction of, **9:40**

### LIFETIME PLANNING—Cont'd

Durable power of attorney—Cont'd  
termination, **9:27-9:30**  
termination for, **9:29**  
third parties, notice to, **9:45**  
trust transactions, construction of, **9:39**  
types of durable powers of attorney, **9:12-9:14**  
unable to serve, termination for, **9:29**  
validity and effect of actions taken by agent, **9:42**  
when power becomes effective, **9:19**  
written termination, **9:28**  
Duration  
durable power of attorney, **9:20**  
medical power of attorney, **9:56**  
Effective dates of durable power of attorney, **9:19**  
Estate transactions, durable power of attorney for, **9:39**  
Execution of instruments  
anatomical gifts, **9:96**  
durable power of attorney, **9:17**  
medical power of attorney, **9:60**  
mental health treatment, declaration for, **9:67**  
Fail-safing, **9:7**  
Favorable tax treatment for lifetime and post death transfers, **9:2**  
Fiduciaries  
durable power of attorney, **9:41**  
property of client, management of, **9:4-9:7**  
Financial institution transactions, durable power of attorney for, **9:37**  
Funeral expenses and benefits, **9:99, 9:100**  
General durable power of attorney, **9:13**  
forms of, **9:102**  
Gifts  
body parts, gifts of, **9:95-9:98**  
durable power of attorney, **9:23**

**LIFETIME PLANNING—Cont'd**

Guardians and guardianship  
form of Estates Code declaration  
of, **9:108**  
medical and personal needs, plan-  
ning for, **9:84-9:86**  
property management, **9:47-9:49**  
Health and Safety Code Section  
711.002 appointment of agent to  
control disposition of remains,  
form of, **9:110**  
Liabilities  
consent to medical treatment direc-  
tive, **9:80**  
disposition of remains, **9:94**  
medical power of attorney, **9:61**  
mental health treatment, declara-  
tion for, **9:65**  
Limitations on durable power of  
attorney, **9:43**  
Living wills  
general discussion, **9:71-9:75**  
Natural Death Act, effect of direc-  
tive under, **9:74, 9:75**  
nonwritten directives, **9:73**  
revocation, **9:75**  
written directives  
Statutory form, **9:72**  
Management considerations, gener-  
ally, **9:1**  
Marriage between agent and principal  
dissolved or declared void, **9:30**  
Medical and personal needs, planning  
for  
general discussion, **9:53-9:90**  
children, designation of agent to  
make health care decisions  
for, **9:87-9:90**  
consent. See Consent to medical  
treatment, above  
directives to physicians  
general discussion, **9:70-9:83**  
consent. See Consent to medical  
treatment, above  
do not resuscitate ("DNR")  
directives, **9:81-9:83**  
living wills. See Living wills,  
above  
nonwritten DNR order, **9:83**

**LIFETIME PLANNING—Cont'd**

Medical and personal needs, planning  
for—Cont'd  
directives to physicians—Cont'd  
out of hospital DNR order, stan-  
dard form for, **9:82**  
terminal conditions. See Living  
wills, above  
do not resuscitate ("DNR") direc-  
tives, **9:81-9:83**  
guardian of person, designation of,  
**9:84-9:86**  
living wills. See Living wills,  
above  
mental health. See Mental health  
treatment, declaration for,  
below  
power of attorney. See Medical  
power of attorney, below  
statutory requirements, **9:53, 9:86**  
terminal conditions. See Living  
wills, above  
written consent for medical treat-  
ment of children, form of,  
**9:90**  
Medical power of attorney  
general discussion, **9:54-9:63**  
absence of medical power,  
procedures in, **9:63**  
checklist for preparation of power  
of attorney, **9:101**  
conflict of powers or consents,  
**9:62**  
Consent to Medical Treatment Act,  
**9:63**  
disclosure statement, **9:55**  
duration of authority, **9:56**  
execution, **9:60**  
liability of health care agent, **9:61**  
persons who may not exercise  
authority of agent, **9:58**  
principal, physician's duty to  
inform, **9:57**  
property management powers  
distinguished from, **9:11**  
revocation, **9:59**  
scope of authority, **9:56**  
selection of health care agent, **9:61**  
statutory form of, **9:105**

## INDEX

### **LIFETIME PLANNING—Cont'd**

Medical power of attorney—Cont'd  
witnesses, **9:60**  
Mental health treatment, declaration  
for  
general discussion, **9:64-9:69**  
disregard of declaration, **9:69**  
duties and liabilities of physician/  
health care provider, **9:65**  
execution, **9:67**  
liabilities of physician/health care  
provider, **9:65**  
period of validity, **9:66**  
revocation, **9:68**  
statutory form, **9:106**  
who may execute, **9:66**  
Natural Death Act, effect of directive  
under, **9:74, 9:75**  
Nondelegable power of attorney, **9:44**  
Nontraditional relationships, planning  
for challenges, **9:51**  
Nonwritten directives. See Oral  
directives, below  
Notice. Durable power of attorney,  
above  
Oral directives  
DNR orders, **9:83**  
living wills, **9:73**  
Out of hospital DNR order, standard  
form for, **9:82**  
Personal needs. See Medical and  
personal needs, planning for,  
above  
Post-death issues, planning for  
general discussion, **9:91-9:100**  
anatomical gifts, **9:95-9:98**  
appointment of agent to control  
disposition of remains, **9:93**  
burial instructions, generally, **9:92**  
disposition of remains, **9:91-9:94**  
execution of anatomical gifts, **9:96**  
funeral expenses and benefits,  
**9:99, 9:100**  
gifts of body parts, **9:95-9:98**  
liability for disposition of remains,  
**9:94**  
remains, disposition of, **9:91-9:94**  
trustee's authority to pay funeral  
expenses, **9:99**

### **LIFETIME PLANNING—Cont'd**

Post-death issues, planning for  
—Cont'd  
trust-funded prepaid funeral bills,  
**9:100**  
Power of attorney  
durable power. See Durable power  
of attorney, above  
medical power. See Medical power  
of attorney, above  
notice of revocation of general  
power of appointment, form  
of, **9:104**  
Principal, physician's duty to inform,  
**9:57**  
Property of client, management of  
general discussion, **9:3-9:52**  
challenges, planning for, **9:50-9:52**  
contentious family relationships,  
planning for challenges, **9:52**  
corporate fiduciary, **9:6**  
durable power of attorney. See  
Durable power of attorney,  
above  
fail-safing, **9:7**  
fiduciary choices and duties, **9:4-**  
**9:7**  
guardian of estate, designation of,  
**9:47-9:49**  
individual fiduciary, **9:5**  
nontraditional relationships, plan-  
ning for challenges, **9:51**  
power of attorney. See Durable  
power of attorney, above  
stand-by management trusts, **9:46**  
statutory form for designation of  
guardian of estate, **9:49**  
Real property transactions, durable  
power of attorney for, **9:34**  
Reliance on durable power of  
attorney, **9:45**  
Remains, disposition of  
general discussion, **9:91-9:94**  
Health and Safety Code Section  
711.002 appointment of agent  
to control disposition of  
remains, form of, **9:110**  
letter directive for disposition of  
remains, form of, **9:109**

**LIFETIME PLANNING—Cont'd**

- Revocation
  - durable power of attorney, **9:26**
  - living will, **9:75**
  - medical power of attorney, **9:59**
  - mental health treatment, declaration for, **9:68**
- Selection of health care agent, **9:61**
- Special durable power of attorney, **9:14**
- Special/limited power of attorney, form of, **9:103**
- Specificity in granting power of attorney, **9:22-9:25**
- Springing power of attorney, **9:19, 9:24**
- Standard of care, durable power of attorney, **9:41**
- Stand-by management trusts, **9:46**
- Statutes and statutory provisions
  - durable power of attorney, **9:9, 9:21**
  - guardians and guardianship, **9:49, 9:86**
  - medical and personal needs, planning for, **9:53**
- Stock and bond transactions, durable power of attorney for, **9:36**
- Subject matter of consent to medical treatment directive, **9:78**
- Surrogate decision-makers, **9:77**
- Tangible personal transactions, durable power of attorney for, **9:35**
- Tax matters, durable power of attorney for, **9:40**
- Terminal conditions. See Living wills, above
- Termination of durable power of attorney, **9:27-9:30**
- Texas Consent to Medical Treatment Act, generally, **9:63, 9:76**
- Third parties, notice of durable power of attorney to, **9:45**
- Trusts and trustees
  - durable power of attorney, **9:39**
  - funeral expenses and benefits, **9:99, 9:100**
- stand-by management trusts, **9:46**

**LIFETIME PLANNING—Cont'd**

- Unable to serve, termination of durable power of attorney for, **9:29**
- Validity and effect of actions taken by agent, **9:42**
- Witnesses
  - medical power of attorney, **9:60**
- Writing
  - children, form of written consent for medical treatment of, **9:90**
  - durable power of attorney, written termination of, **9:28**
  - living wills, written directives statutory form, **9:72**

**LIFETIME TRANSFERS**

Tax planning. See index heading **TAX PLANNING**

**LIMITATIONS AND RESTRICTIONS**

- Durable power of attorney, **9:43**
- Federal transfer tax. See index heading **FEDERAL TRANSFER TAX SYSTEM**
- Income tax. See index heading **INCOME TAXATION OF TRUSTS AND ESTATES**
- Tax planning. See index heading **TAX PLANNING**
- Trusts. See index heading **TRUSTS**
- Wills, **4:218**

**LIMITATIONS OF TIME**

Wills. See index heading **WILLS**

**LIMITED PARTNERSHIPS**

- Business planning, choice of entity, **11:14, 11:20, 11:28**
- Family limited partnerships. See index heading **FAMILY LIMITED PARTNERSHIPS**

**LIMITED POWER OF APPOINTMENT**

Federal transfer tax system, **6:101**

**LINEAL DESCENDANTS**

Federal transfer tax system, **6:186**

**LIVING WILLS**

General discussion, **9:71-9:75**

## INDEX

**LIVING WILLS—Cont'd**  
For detailed treatment see index heading LIFETIME PLANNING

**LOANS**  
Trusts, **5:415**

**LOCATION OR PLACE**  
Trustee, **5:344**  
Wills. See index heading WILLS

**LOST OR DESTROYED WILLS**  
See index heading WILLS

**LOYALTY**  
Attorney-client relationship, managing of, **2:35**  
Trustee's duty of, **5:362**

**LUCID INTERVALS**  
Testamentary capacity affected by, **4:91**

**LUMP SUM DISTRIBUTIONS**  
Retirement plans and planning, **8:151- 8:157, 8:215- 8:217**

**MALPRACTICE CLAIMS**  
Attorney-client relationship, **1:91**

**MANAGEMENT**  
Trusts. See index heading TRUSTS  
Wills, **4:318- 4:321**

**MANDATORY DISTRIBUTIONS**  
Trusts, **5:240- 5:242**

**MARITAL DEDUCTION**  
Disclaimers, **15:27-15:31**  
Dispositive planning, **10:35**  
Federal transfer tax. See index heading FEDERAL TRANSFER TAX SYSTEM  
Form of allocation of IRD to, **8:283**  
Retirement plans and planning, **8:240**  
Tax planning  
general discussion, **12:52-12:82**  
for detailed treatment see index heading TAX PLANNING  
Trust  
general discussion, **5:461- 5:466**  
for detailed treatment see index heading TRUSTS

**MARITAL DEDUCTION—Cont'd**  
Wills  
general discussion, **4:287- 4:309**  
for detailed treatment see index heading WILLS

**MARITAL PROBLEMS**  
Information gathering and counseling of client, **3:38, 3:43**

**MARK OF TESTATOR**  
Wills, **4:52**

**MARRIED**  
**PARTICIPANTS-OPTIMAL BENEFICIARY DESIGNATIONS**  
Retirement plans. See index heading RETIREMENT PLANS AND PLANNING

**MATURITY**  
Information gathering and counseling of client, **3:39**

**MDIB RULE**  
Retirement plans and planning, **8:137**

**MEDIATION**  
See index heading ARBITRATION OR MEDIATION

**MEDICAL AND PERSONAL NEEDS**  
General discussion, **9:53-9:90**  
For detailed treatment see index heading LIFETIME PLANNING

**MEDICAL EXCLUSION**  
Tax planning, **12:159**

**MEDICAL EXPENSES**  
Deductions on decedent's final income tax return, election as to, **15:94**  
Federal transfer tax system, **6:62, 6:209**  
Tax planning, **12:4**

**MEDICAL POWER OF ATTORNEY**  
General discussion, **9:54-9:63**  
For detailed treatment see index heading LIFETIME PLANNING

**MEMOS**

Dispositive planning, **10:6**

**MENTAL CONDITION**

Wills. See index heading **WILLS**

**MENTAL DISABILITY**

Federal transfer tax system, **6:170**

**MENTAL HEALTH TREATMENT, DECLARATION FOR**

General discussion, **9:64-9:69**

For detailed treatment see index heading **LIFETIME PLANNING**

**MERGER**

Disclaimers, **15:31**

Trusts. See index heading **TRUSTS**

**MINERALS**

Trusts, **5:201**

**MINIMUM DISTRIBUTION RULES**

Dispositive planning, **10:212-10:216**

Retirement plans. See index heading **RETIREMENT PLANS AND PLANNING**

**MINORS**

See index heading **CHILDREN**

**MISTAKE**

Wills. See index heading **WILLS**

**MISUNDERSTANDINGS**

Dispositive planning, **10:30**

**MODIFICATION OR CHANGE**

Amendments. See index heading **AMENDMENTS**

Trusts. See index heading **TRUSTS**

Wills. See index heading **WILLS**

**MORTGAGES**

Federal transfer tax system, **6:124**

Personal residence trust (PRT), **12:326, 12:335**

Trusts, **5:195**

Wills, **4:338**

**MULTIPLE BENEFICIARY RULE**

Retirement plans. See index heading **RETIREMENT PLANS AND PLANNING**

**MULTIPLE CLIENT**

**REPRESENTATION**

Attorney-client relationship, managing of general discussion, **2:40-2:45**  
for detailed treatment see index heading **ATTORNEY-CLIENT RELATIONSHIP, MANAGING OF**

**MULTIPLE GRATs**

Tax planning, **12:282**

**MULTIPLE INTERESTS**

Disclaimers, **15:75**

**MULTIPLE MARRIAGES**

Information gathering and counseling of client, **3:43**

**MULTIPLE-PARTY ACCOUNTS IN FINANCIAL INSTITUTIONS**

Dispositive planning  
general discussion, **10:173-10:190**  
for detailed treatment see index heading **DISPOSITIVE PLANNING**

**MULTIPLE TRUSTS**

Income taxation of trusts and estates, **7:3**

**NAMES**

Wills. See index heading **WILLS**

**NATURAL DEATH ACT**

General discussion, **9:74, 9:75**

**NATURAL RESOURCES**

Trusts, **5:231**

**NET GIFTS**

Tax planning, **12:185-12:188**

**NET INCOME**

Income taxation of trusts and estates, **7:94-7:96**

**NET INVESTMENT**

Defined, **5:207**

**NET PROCEEDS**

Defined, **5:207**

**NO CONTEST CLAUSE**

Dispositive planning, **10:9, 10:97**

## INDEX

**NOMINAL INTERESTS**  
    Disclaimers, **15:20**

**NONLINEAL DESCENDANTS**  
    Federal transfer tax system, **6:187**

**NONPROBATE PROPERTY, PLANNING FOR**  
    Dispositive planning  
        general discussion, **10:172-10:243**  
        for detailed treatment see index heading **DISPOSITIVE PLANNING**

**NON PRO-RATA DISTRIBUTIONS**  
    Income taxation of trusts and estates, **7:61, 7:110**

**NONRESIDENTS OR NONCITIZENS**  
    Dispositive planning, **10:132**  
    Federal transfer tax system, **6:148-6:152, 6:227**  
    Tax planning  
        general discussion, **12:362-12:395**  
        for detailed treatment see index heading **TAX PLANNING**  
    Wills, **4:148**

**NOTICE OR KNOWLEDGE**  
    Durable power of attorney, **9:45**  
    Lifetime planning. See index heading **LIFETIME PLANNING**  
    Powers of appointment and Crummey provisions, notice of, **6:54**  
    Trusts. See index heading **TRUSTS**

**NUMBER AND NUMBERING**  
    Tax planning, **12:323**  
    Wills. See index heading **WILLS**

**NUNCUPATIVE OR ORAL WILL**  
    Wills  
        for detailed treatment see index heading **WILLS**

**OBLITERATION**  
    Revocation of will, **4:455**

**ONE HUNDRED THOUSAND DOLLAR EXCLUSION**  
    Retirement plans and planning, **8:44**

**OPTIMAL BENEFICIARY DESIGNATIONS**  
    Retirement plans. See index heading **RETIREMENT PLANS AND PLANNING**

**OPTION**  
    See index heading **ELECTION OR OPTION**

**ORAL DIRECTIVES**  
    Lifetime planning. See index heading **LIFETIME PLANNING**

**ORAL WILLS**  
    See index heading **WILLS**

**PARAMOURS**  
    Dispositive planning, **10:158**

**PARTIAL DISCLAIMERS**  
    See index heading **DISCLAIMERS**

**PARTITION**  
    Disclaimers, **15:24**

**PARTNERSHIPS**  
    Business planning, choice of entity, **11:12-11:14, 11:19, 11:20, 11:27, 11:28**  
    Family limited partnerships. See index heading **FAMILY LIMITED PARTNERSHIPS**  
    Trusts. See index heading **TRUSTS**

**PAYABLE ON DEATH (POD) ACCOUNTS**  
    Dispositive planning, **10:179**  
    Information gathering and counseling of client, **3:29**

**PECUNIARY BYPASS TRUSTS**  
    Tax planning, **12:28, 12:31-12:33**

**PECUNIARY FORMULA FUNDING CLAUSES**  
    Tax planning, **12:63-12:66**

**PECUNIARY GIFTS**  
    Income taxation of trusts and estates, **7:107**

**PECUNIARY LEGACIES**  
    Wills, **4:273- 4:278**

**PECUNIARY MARITAL AMOUNT  
FORMULA CLAUSE**

Tax planning, **12:58**

**PENALTIES**

Federal transfer tax. See index heading **FEDERAL TRANSFER TAX SYSTEM**  
Retirement plans and planning, **8:46-8:49**

**PENSIONS**

See index heading **RETIREMENT PLANS  
AND PLANNING**

**PERPETUAL CHARITABLE  
PUBLIC TRUST**

Wills, **4:362**

**PERSONALITY**

Trustee, **5:342**

**PERSONAL RESIDENCE TRUST  
(PRT) AND QUALIFIED  
PERSONAL RESIDENCE  
TRUST (QPRT)**

Tax planning  
general discussion, **12:315-12:361**  
for detailed treatment see index  
heading **TAX PLANNING**

**PER STIRPES VERSUS PER  
CAPITA**

Wills, **4:240- 4:243**

**PETS**

Dispositive planning, **10:159**

**PHYSICIANS**

Directive to physicians, statutory  
form for, **9:107**

**PLACE**

See index heading **LOCATION OR PLACE**

**PLAN ADMINISTRATOR ISSUE**

Retirement plans and planning, **8:109**

**PLEADINGS**

Trusts, **5:288, 5:306**

**POLICY CHOICES**

Dispositive planning, **10:29**

**POOLED INCOME TRUSTS**

General discussion, **5:499**

**PORTABILITY ELECTION**

Post-mortem planning, **15:105**

**POSSESSION**

Federal transfer tax system, **6:93**  
Trustee's duty to take, **5:365**  
Wills, **4:175**

**POST-DEATH ISSUES, PLANNING  
FOR**

General discussion, **9:91-9:100**  
For detailed treatment see index  
heading **LIFETIME PLANNING**

**POSTHUMOUS CHILDREN**

Wills. See index heading **WILLS**

**POST-MORTEM PLANNING**

Disclaimers. See index heading  
**DISCLAIMERS**  
Elections. See index heading **ELEC-  
TIONS**

**POSTPONEMENT OF  
DISTRIBUTION**

Form of, **5:537**

**POWER OF APPOINTMENT**

Disclaimers  
general discussion, **15:22**  
for detailed treatment see index  
heading **DISCLAIMERS**  
Dispositive planning, **10:26, 10:116-  
10:118**

Federal transfer tax. See index heading  
**FEDERAL TRANSFER TAX SYSTEM**

Retirement plans and planning,  
**8:142, 8:143, 8:226, 8:236**

Tax planning. See index heading **TAX  
PLANNING**

Trusts. See index heading **TRUSTS**

**POWER OF ATTORNEY**

Checklist for preparation of, **3:67,  
9:101**

Disclaimers, **15:81**

Information gathering and counseling  
of client, **3:67**

Lifetime planning. See index heading  
**LIFETIME PLANNING**

## INDEX

**PREDECEASED CHILD RULE**  
Federal generation-skipping transfer tax, **6:204-6:206**

**PREMATURE DISTRIBUTIONS**  
Retirement plans and planning, **8:47**

**PREMIUMS**  
Federal transfer tax system, **6:235-6:239**  
Tax planning. See index heading TAX PLANNING  
Trusts, **5:484**

**PRESERVATION OF WEALTH OR PROPERTY**  
Trusts, **5:366, 5:512**

**PRESUMPTIONS AND BURDEN OF PROOF**  
Capacity of client to act, **1:74**  
Wills. See index heading WILLS

**PRETERMITTED CHILDREN**  
Wills. See index heading WILLS

**PRINCIPAL**  
Dispositive planning, **10:111**  
Trusts. See index heading TRUSTS

**PRIOR TAXABLE GIFTS**  
Federal transfer tax system, **6:97, 6:98, 6:160**

**PRIOR TRANSFERS**  
Federal transfer tax system, **6:139-6:142**

**PRIVACY**  
Dispositive planning, **10:83**  
Trusts for minors, **5:507**

**PRIVITY**  
Wills, **4:10**

**PROBATE**  
General discussion, **1:58-1:72**  
Community property, descent and distribution, **1:69-1:71**  
Definitions, **1:59, 1:63**  
Descent and distribution, generally, **1:64-1:71**  
Dispositive planning  
general discussion, **10:162-10:171**

**PROBATE—Cont'd**  
Dispositive planning—Cont'd  
for detailed treatment see index heading DISPOSITIVE PLANNING  
Escheat, **1:72**  
Intestate disposition  
general discussion, **1:63-1:72**  
community property, descent and distribution, **1:69-1:71**  
definition of intestacy, **1:63**  
descent and distribution, generally, **1:64-1:71**  
escheat, **1:72**  
separate property, descent and distribution, **1:65-1:68**  
Purpose, **1:60**  
Separate property, descent and distribution, **1:65-1:68**  
Testate disposition  
general discussion, **1:61, 1:62**  
proceeding to probate will, **1:62**

**PRODUCTIVITY OF TRUST**  
General discussion, **5:374**

**PROPERTY MANAGEMENT**  
Lifetime planning. See index heading LIFETIME PLANNING  
Trusts  
general discussion, **5:191-5:210**  
for detailed treatment see index heading TRUSTS

**PROPERTY SETTLEMENTS**  
Federal transfer tax system, **6:30**

**PROTECTION OF PROPERTY**  
Dispositive planning, **10:72-10:74**

**PRUDENCE**  
Trustee's duty of, **5:358, 5:359, 5:361**

**PUBLICATION**  
Wills. See index heading WILLS

**PUBLIC POLICY**  
Trusts, **5:164**

**QDOT TRUSTS**  
General discussion, **5:466**  
Federal transfer tax system, **6:132**

**QDOT TRUSTS—Cont'd**

Form of, **5:531**  
Retirement plans. See index heading  
RETIREMENT PLANS AND PLANNING  
Tax planning, **12:79-12:82**

**QTIP TRUSTS**

General discussion, **5:463**  
Disclaimers. See index heading  
DISCLAIMERS  
Dispositive planning, **10:210, 10:242**  
Elections, **15:100**  
Federal transfer tax system, **6:35, 6:109, 6:110**  
Form of, **4:542, 5:530**  
Retirement plans. See index heading  
RETIREMENT PLANS AND PLANNING  
Tax planning, **12:78**  
Wills, **4:249**

**QUALIFICATION**

Wills, **4:145- 4:151**

**QUALIFIED BENEFIT PLANS**

Information gathering and counseling  
of client, **3:26**

**QUALIFIED CONSERVATION  
EASEMENT**

Federal transfer tax system, **6:112- 6:115**

**QUALIFIED DISCLAIMERS**

General discussion, **15:6-15:14**  
Federal transfer tax system, **6:65- 6:71**

**QUALIFIED DOMESTIC TRUST**

See index heading QDOT TRUSTS

**QUALIFIED FAMILY-OWNED  
BUSINESS INTERESTS  
("QFOBI")**

Closely held business or stock,  
**11:128-11:144**

**QUALIFIED JOINT AND  
SURVIVOR ANNUITY**

Retirement plans and planning, **8:52**

**QUALIFIED PERSONAL  
RESIDENCE TRUST (QPRT)**

Tax planning. See index heading TAX  
PLANNING

**QUALIFIED PLANS**

General discussion, **1:37-1:40**  
Dispositive planning, **10:202**  
Federal transfer tax system, **6:131**  
Nonparticipant spouse, designation of  
beneficiary by, **1:40**  
Participant, designation of benefi-  
ciary by, **1:39**  
Retirement plans and planning, **8:68**

**QUALIFIED PRERETIREMENT  
SURVIVOR ANNUITY**

Retirement plans and planning, **8:53**

**QUALIFIED STATE TUITION  
PROGRAMS**

Federal transfer tax system, **6:61**

**QUALIFIED TERMINABLE  
INTEREST PROPERTY (QTIP)**

See index heading QTIP TRUSTS

**QUESTIONS OF LAW AND FACT**

Wills, **4:439**

**RATES AND RATE SCHEDULES**

Federal transfer tax system, **6:79**  
Tax planning, **12:387, 12:391**

**REAL ESTATE INVESTMENT  
TRUSTS**

General discussion, **5:108**

**REAL PROPERTY**

Durable power of attorney for, **9:34**  
Tax planning. See index heading TAX  
PLANNING  
Trusts. See index heading TRUSTS  
Wills. See index heading WILLS

**RECALCULATION**

Retirement plans. See index heading  
RETIREMENT PLANS AND PLANNING

**RECEIPTS**

Disclaimers, **15:49-15:51**

**RECEIVERSHIP**

Trusts distinguished, **5:118**

**RECORDING**

See index heading FILING AND RECORD-  
ING

## INDEX

**REFUSAL**  
Trusts. See index heading TRUSTS

**REGULATORY REQUIREMENTS**  
Retirement plans. See index heading RETIREMENT PLANS AND PLANNING

**REIMBURSEMENT OF TRUSTEE**  
General discussion, **5:409**

**REINVESTMENT OF PROCEEDS**  
Tax planning, **12:327**

**RELATIVES**  
See index heading FAMILY AND RELATIVES

**RELEASE OR DISCHARGE**  
Federal transfer tax system, **6:201**  
Trusts, **5:439**

**RELIANCE**  
Durable power of attorney, **9:45**

**RELIGION**  
Trusts, **5:316**

**REMAINDERS AND REMAINDER INTERESTS**  
Disclaimers. See index heading DISCLAIMERS  
Dispositive planning, **10:108**  
Federal transfer tax. See index heading FEDERAL TRANSFER TAX SYSTEM  
Trusts, **5:69, 5:496- 5:498**  
Wills, **4:255**

**REMAINS**  
Disposition of, **9:91-9:94**  
Lifetime planning. See index heading LIFETIME PLANNING  
Wills, form of appointment of agent to control disposition of remains, **4:538**

**REMARRIAGE**  
Wills, **4:383**

**REMOTE DESCENDANTS**  
Tax planning, **12:156-12:158**

**REMOVAL OF TRUSTEE**  
See index heading TRUSTS

**RENT-FREE USE OF PROPERTY**  
Federal transfer tax system, **6:42**

**RENUNCIATION**  
Marriage between agent and principal dissolved or declared voidy, **9:30**

**REPAIRS**  
Trusts, **5:199**

**REPEAL**  
Income taxation of trusts and estates, **7:118**

**REPORTS AND REPORTING**  
Federal transfer tax. See index heading FEDERAL TRANSFER TAX SYSTEM

**REPUBLICATION**  
Wills, **4:469**

**REQUIRED BEGINNING DATE (RBD)**  
Retirement plans. See index heading RETIREMENT PLANS AND PLANNING

**RESERVATION OF POWERS**  
Trusts, **5:324**

**RESIDENCE**  
See index heading DOMICILE OR RESIDENCE

**RESIDUARY ESTATE**  
Dispositive planning, **10:63**  
Income taxation of trusts and estates, **7:96**  
Retirement plans and planning, **8:187**  
Tax planning. See index heading TAX PLANNING  
Wills, **4:280, 4:282- 4:286**

**RESIGNATION**  
Trustee, **4:200, 5:421, 5:422**

**RESTRAINTS ON ALIENATION**  
Dispositive planning, **10:165-10:170**  
Wills, **4:256**

**RESULTING TRUST**  
General discussion, **5:102, 5:103**

**RETAINED INTERESTS**

- Federal transfer tax system, **6:43, 6:92-6:96, 6:153**
- Income taxation of trusts and estates, **7:75-7:77**
- Tax planning, **12:302-12:305**

**RETAINED LIFE ESTATE RELEASE**

- Tax planning, **12:137**

**RETAINED POWERS**

- Federal transfer tax system, **6:91**
- Income taxation of trusts and estates, **7:69-7:74**

**RETIREMENT PLANS AND PLANNING**

- General discussion, **8:1- 8:283**
- Accumulations, **8:228, 8:237**
- All income requirement, estate tax marital deduction issue, **8:190- 8:193**
- Allocation of principal and income bypass trust as beneficiary, **8:217**
- QTIP trust as beneficiary, **8:156, 8:165, 8:196, 8:197**
- Amendments to proposed regulations. See Trust as beneficiary, below
- Annuity as QDOT, **8:213**
- Beneficiary designations, forms of, **8:275**
- Buy-sell agreements, **11:170**
- Bypass trust as beneficiary
  - general discussion, **8:215- 8:237**
  - accumulations, **8:228, 8:237**
  - allocation of principal and income, **8:217**
  - bypass trust provisions, generally, **8:235- 8:237**
  - charity, **8:226, 8:227**
  - designation of beneficiaries, drafting strategies, **8:229- 8:237**
  - determining designated beneficiary treatment, **8:135- 8:140**
  - drafting strategies, **8:229- 8:237**
  - IRAs, **8:223**
  - IRD deduction, **8:216, 8:219**
  - lump sum, **8:215- 8:217**
- Charitable trust as beneficiary
  - general discussion, **8:238- 8:249**
  - benefits, **8:242, 8:243**
  - charity as beneficiary, distinguish from naming, **8:238**
  - disadvantages, **8:244- 8:248**
  - income tax issue, **8:241**
  - marital deduction issue, **8:240**
  - multiple beneficiary rule, **8:246**
  - QTIP trust as beneficiary, distinguish from naming, **8:239- 8:243**
  - spouse, benefits to, **8:242**
- Charities
  - bypass trust as beneficiary, **8:226, 8:227**
  - charitable trust. See Charitable trust as beneficiary, above
  - QTIP trust as beneficiary, **8:200**
  - single participants-optimal beneficiary designations, **8:98**
- Checklists
  - designated beneficiary treatment, summary of analysis, **8:269**
  - drafting considerations in naming trust as beneficiary of retirement benefits, **8:270**
- Children. See Single participants-optimal beneficiary designations, below
- Community property laws
  - general discussion, **8:66- 8:77**
  - devisability issue, **8:67- 8:70**

## INDEX

**RETIREMENT PLANS AND PLANNING—Cont'd**

Community property laws—Cont'd  
disclaimers, **8:73- 8:76**  
drafting issues, **8:71- 8:76**  
IRAs, **8:69, 8:70, 8:76**  
planning ideas, **8:77**  
qualified plans, **8:68**  
"The Trustee" as beneficiary,  
**8:260**  
Consent of spouse to waiver of rights,  
**8:60- 8:63, 8:147- 8:149**  
Contingent beneficiaries  
"The Trustee" as beneficiary,  
**8:257**  
trust as beneficiary, **8:114, 8:132,**  
**8:133**  
Death contingency issue, **8:141**  
Death of spouse, effect of, **8:126**  
Delivery of trust document require-  
ment, **8:107**  
Designated beneficiary, QTIP trust as  
beneficiary, **8:174- 8:180**  
Devisability issue, community prop-  
erty laws, **8:67- 8:70**  
Disclaimer of trust, form of, **8:272**  
Disclaimers, **8:73- 8:76, 8:89, 8:141**  
Election requirement, QTIP trust as  
beneficiary, **8:166**  
Employee's trust, generally, **5:107**  
Estate tax issues  
general discussion, **8:40- 8:45**  
married participants-optimal bene-  
ficiary designations, **8:79-**  
**8:81**  
QTIP trusts, **8:152, 8:188- 8:193,**  
**8:202**  
single participants-optimal bene-  
ficiary designations, **8:97**  
Excess accumulations, elimination of  
penalty tax on, **8:49**  
Exemption allocation, GST trust as  
beneficiary, **8:250- 8:255**  
Federal transfer tax system, **6:107,**  
**6:108**  
Five year averaging, tax  
considerations, **8:34**  
Form of revocable plan benefits trust,  
**8:276**

**RETIREMENT PLANS AND PLANNING—Cont'd**

Four trust regulatory requirements,  
**8:105**  
Fractional share approach, IRD issue,  
**8:186**  
Generation-skipping trust (GST) as  
beneficiary  
general discussion, **8:250- 8:255**  
advantages, **8:254**  
exemption allocation, **8:250- 8:255**  
IRD issue, **8:252**  
problems, **8:253, 8:255**  
Gift of NPSs interest to participant,  
form of, **8:271**  
Gift tax issues, **8:82**  
Income. See Allocation of principal  
and income, above  
Income tax considerations  
general discussion, **8:30- 8:39**  
charitable trust as beneficiary,  
**8:241**  
"inherited" IRAs, **8:38**  
"inherited" qualified plans, **8:37**  
IRAs, **8:38**  
QTIP trust as beneficiary, **8:153-**  
**8:155, 8:203**  
rollovers, **8:35, 8:36**  
single participants-optimal bene-  
ficiary designations, **8:94-**  
**8:96, 8:98**  
special income tax rules, **8:31-**  
**8:39**  
ten year averaging, **8:32**  
Information gathering and counseling  
of client, **3:26, 3:30**  
"Inherited" IRAs, **8:38**  
"Inherited" qualified plans, **8:37**  
IRAs. See index heading INDIVIDUAL  
RETIREMENTS ACCOUNTS (IRAS)  
IRD issues  
allocation to marital deduction  
amount, form of, **8:283**  
bypass trust as beneficiary, **8:216,**  
**8:219**  
GST trust as beneficiary, **8:252**  
QTIP trust as beneficiary, **8:184-**  
**8:187**

**RETIREMENT PLANS AND PLANNING—Cont'd**

IRD issues—Cont'd  
 "The Trustee" as beneficiary, **8:261**  
 Irrevocability requirement, **8:106, 8:128**  
 Late distributions, tax considerations, **8:48**  
 Lifetime distributions, commencement date of, **8:4**  
 Lump sum distributions, **8:151- 8:157, 8:215- 8:217**  
 Marital deduction amount, form of allocation of IRD to, **8:283**  
 Marital deduction issue, charitable trust as beneficiary, **8:240**  
 Married participants-optimal beneficiary designations general discussion, **8:78- 8:89**  
 disclaimer option, **8:89**  
 distributions as participant's beneficiary, **8:88**  
 estate tax marital deduction, **8:79- 8:81**  
 gift tax issue, **8:82**  
 IRAs, **8:85- 8:87**  
 options of spouse on death of participant, **8:84- 8:89**  
 periodic payment issues, **8:81**  
 primary beneficiary, spouse as, **8:78- 8:89**  
 qualified terminable interest property (QTIP), **8:80**  
 rollovers, **8:85**  
 sole designated beneficiary, spouse qualifying as, **8:83**  
 MDIB rule, **8:137**  
 Minimum distribution rules  
 bypass trust as beneficiary, above  
 IRAs, treatment of, **8:17**  
 lifetime distributions, commencement date of, **8:4**  
 newest rules, **8:8**  
 "new" minimum distribution rules, general summary of, **8:7- 8:28**  
 "old" minimum distribution rules, general summary of, **8:6**

**RETIREMENT PLANS AND PLANNING—Cont'd**

Minimum distribution rules—Cont'd  
 overview, **8:1**  
 QTIP trust as beneficiary, below  
 recalculation, **8:21**  
 "regular" minimum distribution rules, general summary of, **8:3- 8:5**  
 required beginning date (RBD)  
 commencement of distributions when participant would have attained 72, **8:16**  
 death of participant before, **8:15- 8:19**  
 five year rule, **8:20**  
 IRAs, treatment of, **8:17, 8:18**  
 no designated beneficiary, **8:20**  
 recalculation limitation, **8:21**  
 rollover of qualified plan benefits, **8:17**  
 spousal options, **8:22**  
 required distributions during participant's lifetime, **8:5**  
 rollover of qualified plan benefits, **8:17**  
 spousal options, **8:22**  
 Multiple beneficiary rule  
 bypass trust as beneficiary, **8:225- 8:228**  
 charitable trust as beneficiary, **8:246**  
 QTIP trust as beneficiary, **8:169- 8:172**  
 Naming trust as beneficiary, **8:145- 8:150**  
 Non-citizen spouse, QDOT trust as beneficiary, **8:205**  
 One hundred thousand dollar exclusion, estate taxation, **8:44**  
 Optimal beneficiary designations  
 married participants. See Married participants-optimal beneficiary designations  
 single participants. See Single participants-optimal beneficiary designations  
 Options of spouse on death of participant, **8:84- 8:89**

## INDEX

**RETIREMENT PLANS AND PLANNING—Cont'd**  
Penalty taxes, **8:46- 8:49**  
Plan administrator issue, **8:109**  
Plan distribution options, QTIP trust as beneficiary, **8:168**  
Post-death requirement, QTIP trust as beneficiary, **8:194, 8:195**  
Power of appointment, **8:142, 8:143, 8:226, 8:236**  
Premature distributions, tax considerations, **8:47**  
Principal. See Allocation of principal and income, above  
Private letter ruling 91-09-021, **8:211**  
Private letter ruling 93-21-032, **8:212**  
Private letter ruling 96-23-063, **8:208- 8:210**  
QDOT trust  
general discussion, **8:205- 8:214**  
annuity as QDOT, **8:213**  
creation of, **8:206**  
final regulations, **8:214**  
non-citizen spouse, **8:205**  
private letter ruling 91-09-021, **8:211**  
private letter ruling 93-21-032, **8:212**  
private letter ruling 96-23-063, **8:208- 8:210**  
rollover by non-citizen spouse, generally, **8:207- 8:212**  
QTIP trust as beneficiary  
general discussion, **8:151- 8:204**  
all income requirement, estate tax marital deduction issue, **8:190- 8:193**  
allocation of lump sum distribution, **8:156**  
allocation of principal and income, **8:196, 8:197**  
charities and charitable trusts, **8:200, 8:239- 8:243**  
designated beneficiary issue, **8:174- 8:180**  
drafting issues, generally, **8:182- 8:204**  
election requirement, **8:166**

**RETIREMENT PLANS AND PLANNING—Cont'd**  
QTIP trust as beneficiary—Cont'd  
estate tax considerations, **8:152, 8:188- 8:193, 8:202**  
form of will provisions relating to, **8:277**  
fractional share approach, IRD issue, **8:186**  
income tax considerations, **8:153- 8:155, 8:203**  
instructive rulings, **8:204**  
IRD issue, **8:184- 8:187**  
lump sum distributions, **8:151- 8:157**  
minimum distribution payments, generally, **8:158- 8:172**  
multiple beneficiary rules, **8:169- 8:172**  
plan distribution options, **8:168**  
post-death requirement, **8:194, 8:195**  
principal and income allocation, **8:156, 8:165**  
“qualifying income interest for life” requirement, **8:159- 8:165**  
regulatory requirements, **8:167**  
remainder beneficiary issues, **8:198- 8:200**  
required beginning date (RBD)  
designated beneficiary requirements, **8:176- 8:180**  
residuary trust approach, IRD issue, **8:187**  
results if trust named beneficiary, **8:173- 8:181**  
rollover option of spouse, **8:181**  
specific bequest approach, IRD issue, **8:185**  
tax payment issues, generally, **8:201- 8:203**  
unproductive assets issue, **8:193**  
Qualified joint and survivor annuity, **8:52**  
Qualified plans, community property laws, **8:68**  
Qualified preretirement survivor annuity, **8:53**

**RETIREMENT PLANS AND PLANNING—Cont'd**

Qualified terminable interest property. See QTIP trust as beneficiary, above

“Qualifying income interest for life” requirement, **8:159- 8:165**

Recalculation required beginning date (RBD), **8:21**

Regulatory requirements

- QTIP trust as beneficiary, **8:167**
- trust as beneficiary, below

Remainder beneficiaries of trust, **8:131, 8:198- 8:200**

Required beginning date (RBD)

- bypass trust as beneficiary, **8:222**
- minimum distribution. See Minimum distribution rules, above
- QTIP trust as beneficiary, above
- trust as beneficiary, **8:125, 8:128**

Residuary trust approach, IRD issue, **8:187**

Rollovers

- general discussion, **8:262- 8:268**
- bypass trust as beneficiary, **8:223**
- favorable rulings, **8:263- 8:265**
- IRAs, **8:266- 8:268**
- married participants-optimal beneficiary designations, **8:85**
- minimum distribution rules, **8:17**
- no IRA rollover permitted, **8:266- 8:268**
- planning technique, **8:262**
- QDOT trust as beneficiary, **8:207- 8:212**
- QTIP trust as beneficiary, **8:181**
- sample rulings, **8:264, 8:267**
- tax considerations, **8:35, 8:36**

SECURE Act and 2.0, **8:3**

Segregated shares, definition, **8:119**

Separate accounts

- trust as beneficiary, **8:116- 8:120**

Shortest life expectancy rule, **8:112**

Single participants-optimal beneficiary designations

- general discussion, **8:90- 8:98**
- charity, income tax result for, **8:98**

**RETIREMENT PLANS AND PLANNING—Cont'd**

Single participants-optimal beneficiary designations—Cont'd

children

- single participants with, **8:90- 8:92**
- single participants without, **8:93- 8:98**

contractual restrictions on distributions, **8:92**

estate tax result, **8:97**

income tax results, **8:94- 8:96, 8:98**

- individual accounts, **8:92**
- multiple beneficiary rules, **8:91, 8:92, 8:95**
- separate accounts, **8:92, 8:96**

Specific bequest approach, IRD issue, **8:185**

Spousal rights

- general discussion, **8:50- 8:65**
- beneficiary, spouse must be, **8:55**
- community property. See Community property laws, above
- consent to waiver, **8:60- 8:63**
- consideration of, **8:65**
- “MDIB” multiple beneficiary rules, **8:124- 8:129**
- minimum distribution rules, **8:22 et seq.**
- naming trust as beneficiary, **8:145- 8:150**
- no annuity rule, **8:56**
- not a transferee plan, **8:57**
- qualified joint and survivor annuity, **8:52**
- qualified preretirement survivor annuity, **8:53**
- sample language, **8:64**
- two required spousal benefits for certain plans, **8:51- 8:53**
- waivers, **8:58- 8:65**

Tax considerations

- general discussion, **8:29- 8:49**
- capital gain treatment, **8:33**
- estate taxation. See Estate tax issues, above

## INDEX

**RETIREMENT PLANS AND PLANNING—Cont'd**

Tax considerations—Cont'd  
    excess accumulations, elimination of penalty tax on, **8:49**  
    five thousand dollar death benefit exclusion, **8:39**  
    five year averaging, **8:34**  
    income taxation. See Income tax considerations, above  
    “inherited” IRAs, **8:38**  
    “inherited” qualified plans, **8:37**  
    IRAs, **8:38, 8:45**  
    late distributions, **8:48**  
    one hundred thousand dollar exclusion, estate taxation, **8:44**  
    penalty taxes, **8:46- 8:49**  
    premature distributions, **8:47**  
    QTIP trust as beneficiary, **8:201- 8:203**  
    rollovers, **8:35, 8:36**  
    special income tax rules, **8:31- 8:39**  
    ten year averaging, **8:32**  
    transitional rules, **8:42- 8:44**  
    trust as beneficiary, **8:100**  
    unlimited exclusion, estate taxation, **8:43**  
Tax planning, **12:117**  
Ten year averaging, tax considerations, **8:32**  
“The Trustee” as beneficiary  
    general discussion, **8:256- 8:261**  
    community property issues, **8:260**  
    contingent beneficiaries, **8:257**  
IRD issues, **8:261**  
    naming trustee, **8:256- 8:261**  
Trust as beneficiary  
    general discussion, **8:99- 8:150**  
    application of multiple beneficiary rules in trust context, **8:130- 8:133**  
    bypass trusts. See Bypass trust as beneficiary, above  
    charitable trusts. See Charitable trust as beneficiary, above  
    consent of spouse to waiver of annuity, **8:147- 8:149**

**RETIREMENT PLANS AND PLANNING—Cont'd**

Trust as beneficiary—Cont'd  
    contingent beneficiaries, **8:114, 8:115, 8:132, 8:133**  
    death contingency issue, **8:141**  
    death of spouse, **8:126**  
    delivery of trust document requirement, **8:107**  
    determining designated beneficiary treatment where trust named as beneficiary, **8:134- 8:144**  
    disclaimers, **8:141**  
    exception to “regular” multiple beneficiary rules, **8:113**  
    four trust regulatory requirements, **8:105**  
    GST trusts. See GST trust as beneficiary, above  
    irrevocability requirement, **8:106, 8:128**  
    MDIB, bypass trusts, **8:137**  
    “MDIB” multiple beneficiary rules, generally, **8:123- 8:129**  
    multiple beneficiary rules, generally, **8:110-144**  
    naming trust as beneficiary, **8:145- 8:150**  
    nontax reasons, **8:99**  
    operative wording of regulations, **8:103**  
    plan administrator issue, **8:109**  
    power of appointment, **8:142, 8:143**  
    problems with original regulations, **8:104**  
    QDOT trusts. See QDOT trust as beneficiary, above  
    QTIP trusts. See QTIP trust as beneficiary, above  
    “regular” multiple beneficiary rules, **8:111- 8:122**  
    regulatory requirements, generally, **8:102- 8:109**  
    remainder beneficiaries of trust, **8:131**  
    required beginning date (RBD), **8:125- 8:128**  
    rollovers. See Rollovers, above

**RETIREMENT PLANS AND PLANNING—Cont'd**

Trust as beneficiary—Cont'd  
segregated shares, definition, **8:119**  
separate accounts, **8:116- 8:120**  
shortest life expectancy rule, **8:112**  
special multiple beneficiary rule, **8:122**  
spousal rights, **8:124- 8:129, 8:145- 8:150**  
tax reasons, **8:100**  
"The Trustee." See "The Trustee" in general as beneficiary, above  
waiver of annuity, **8:146- 8:149**  
Unlimited exclusion, estate taxation, **8:43**  
Unproductive assets issue, QTIP trust as beneficiary, **8:193**  
Waiver  
    annuity, **8:146- 8:149**  
    spousal rights, **8:58- 8:65**  
Will provisions, form of revocable plan benefits trust, **8:276**

**REVALUATION**

Revenue Ruling 64-19 funding, **4:303**

**REVERSIONS AND REVERSIONARY INTEREST**

Dispositive planning, **10:109**  
Federal transfer tax. See index heading FEDERAL TRANSFER TAX SYSTEM  
Income taxation of trusts and estates, **7:68**  
Tax planning, **12:138**

**REVIEW**

See index heading APPEAL AND REVIEW

**REVIVAL**

Revoked will, **4:467- 4:469**

**REVOCABLE OR IRREVOCABLE**

Disclaimers. See index heading DISCLAIMERS  
Dispositive planning  
    general discussion, **10:77-10:85**  
    for detailed treatment see index heading DISPOSITIVE PLANNING

**REVOCABLE OR IRREVOCABLE—Cont'd**

Federal transfer tax system, **6:96**  
Retirement plans and planning, **8:106, 8:128**  
Tax planning. See index heading TAX PLANNING  
Trusts. See index heading TRUSTS

**REVOCATION**

Income taxation of trusts and estates, **7:72**  
Lifetime planning. See index heading LIFETIME PLANNING  
Wills  
    general discussion, **4:428- 4:483**  
    for detailed treatment see index heading WILLS

**ROLLING GRATIS**

Tax planning, **12:283**

**ROLLOVERS**

Retirement plans. See index heading RETIREMENT PLANS AND PLANNING

**RUBBER STAMP, SIGNATURE BY WILLS, 4:54**

**RULE AGAINST PERPETUITIES**

Trusts. See index heading TRUSTS  
Wills, **4:359- 4:362**

**SAFE DEPOSIT BOXES**

Domicile, **1:83**  
Wills, **4:483**

**SAFEKEEPING OF WILL**

General discussion, **4:473- 4:481**  
For detailed treatment see index heading WILLS

**SALE OR TRANSFER OF PROPERTY**

Disclaimers, **15:25**  
Federal transfer tax system, **6:123**  
Tax planning. See index heading TAX PLANNING  
Trusts, **5:196, 5:200, 5:416- 5:418**  
Wills. See index heading WILLS

**SAME SEX COUPLES**

Dispositive planning, **10:157**

## INDEX

### **SATISFACTION**

Ademption by, **4:425**

### **S CORPORATIONS**

Family limited partnerships, **13:36**  
Tax planning, **12:276**

### **SEALED WRAPPER**

Safekeeping of will, **4:477**

### **SECOND TIER, COMPLEX TRUSTS**

Income taxation of trusts and estates, **7:50, 7:53**

### **SECTION 142 TRUSTS**

See index heading **TRUSTS**

### **SECTION 867 TRUSTS**

Generally, **5:500**

### **SECURITIES**

Specific devise of, **4:269- 4:272**  
Trusts, **5:203, 5:419**

### **SEGREGATION OF TRUST PROPERTY**

Trustee's duty as to, **5:367, 5:368**

### **SELF-DEALING**

Trustee, **5:414- 5:420**

Wills. See index heading **WILLS**

### **SELF-PROVING AFFIDAVIT**

Wills. See index heading **WILLS**

### **SEPARATE PROPERTY**

Community property system, **1:35**

Dispositive planning, **10:92**

Probate, descent and distribution, **1:65-1:68**

Retirement plans. See index heading **RETIREMENT PLANS AND PLANNING**

### **SEPARATE SHARE RULE**

Income taxation of trusts and estates, **7:14, 7:39, 7:105**

### **SERIES E AND EE INTEREST DEDUCTIONS**

Decedent's final income tax return, election as to, **15:95**

### **SETTLOR**

Trusts

general discussion, **5:321- 5:329**  
for detailed treatment see index heading **TRUSTS**

### **SEVERABLE PROPERTY INTERESTS**

Disclaimers, **15:21**

### **SHELLEY'S CASE**

Wills, **4:247**

### **SHORTEST LIFE EXPECTANCY RULE**

Retirement plans and planning, **8:112**

### **SIGNATURE**

Trustee, **5:173**

Wills. See index heading **WILLS**

### **SIGNIFICANT OTHERS**

Dispositive planning, **10:155-10:158**

### **SIMPLE TRUSTS**

Income taxation of trusts and estates

general discussion, **7:23-7:29**

for detailed treatment see index heading **INCOME TAXATION OF TRUSTS AND ESTATES**

### **SINGLE**

#### **PARTICIPANTS-OPTIMAL**

#### **BENEFICIARY**

#### **DESIGNATIONS**

Retirement plans. See index heading **RETIREMENT PLANS AND PLANNING**

### **SIXTY-FIVE DAY RULE**

Income taxation of trusts and estates, **7:18-7:20**

### **SMALL TRUST PROVISION**

Form of, **5:525**

### **SOLE EXECUTOR**

Wills, **4:153**

### **SOUND MIND REQUIREMENT**

Wills, **4:89- 4:93**

### **SPECIAL DURABLE POWER OF ATTORNEY**

General discussion, **9:14**

**SPECIAL POWERS OF  
APPOINTMENT**

Disclaimers, **15:57**

**SPECIAL RULES**

Income tax. See index heading  
INCOME TAXATION OF TRUSTS AND  
ESTATES

**SPECIAL USE VALUATION**

Elections, **15:97**  
Federal transfer tax system, **6:156**,  
**6:247, 6:248**  
Gifts and lifetime transfers, **12:130**

**SPECIFIC BEQUESTS**

Homestead, tax planning, **12:48-12:51**  
Income taxation of trusts and estates,  
**7:95, 7:102-7:104**  
Wills. See index heading **WILLS**

**SPENDTHRIFT TRUST**

General discussion, **5:89- 5:97**  
For detailed treatment see index  
heading **TRUSTS**

**SPLIT GIFTS**

Federal transfer tax. See index heading  
FEDERAL TRANSFER TAX SYSTEM  
Tax planning  
general discussion, **12:164-12:184**  
See index heading **TAX PLANNING**

**SPLIT INTERESTS**

Federal transfer tax system, **6:244**  
Tax planning  
general discussion, **12:234-12:361**  
for detailed treatment see index  
heading **TAX PLANNING**

**SPOUSES**

Attorney-client relationship, managing of, **2:19**  
Community property. See index  
heading **COMMUNITY PROPERTY  
SYSTEM**  
Dispositive planning  
general discussion, **10:120-10:132**  
for detailed treatment see index  
heading **DISPOSITIVE PLANNING**

**SPOUSES—Cont'd**

Retirement plans and planning  
general discussion, **8:50- 8:65**  
for detailed treatment see index  
heading **RETIREMENT PLANS AND  
PLANNING**  
Tax planning. See index heading **TAX  
PLANNING**  
Trusts. See index heading **TRUSTS**

**SPRINGING POWER OF  
ATTORNEY**

General discussion, **9:19, 9:24**

**SPRINKLING POWER OF  
TRUSTEE**

Tax planning, **12:295**

**STAFF OF ATTORNEY**

Information gathering and counseling  
of client, **3:6**

**STANDARD OF CARE**

Durable power of attorney, **9:41**

**STANDARD OF LIVING**

Trusts, **5:260**

**STAND-BY MANAGEMENT  
TRUSTS**

General discussion, **9:46**

**STATE BAR OF TEXAS**

Regulation of attorney conduct, **2:4**

**STATE DEATH TAXES**

Federal transfer tax system, **6:138**  
Federal transfer tax system. See  
index heading **FEDERAL TRANSFER  
TAX SYSTEM**

**STATE GIFT TAXES**

Federal transfer tax system, **6:89**

**STATE GST**

Federal transfer tax system, **6:184**

**STATUTES AND STATUTORY  
PROVISIONS**

Dispositive planning, **10:165-10:170**  
Income taxation of trusts and estates,  
**7:92, 7:99**  
Lifetime planning. See index heading  
LIFETIME PLANNING

## INDEX

### **STATUTES AND STATUTORY PROVISIONS—Cont'd**

Trusts. See index heading **TRUSTS**  
Wills. See index heading **WILLS**

### **STATUTORY POWER OF ATTORNEY**

General discussion, **9:8**  
Caution message and overview of statute, **9:8**

### **STEP UP IN BASIS AT DEATH**

Gifts and lifetime transfers, **12:123**

### **STOCK AND BONDS**

Durable power of attorney for transactions involving, **9:36**  
Family limited partnerships, stock options, **13:32**

### **STRUCTURE OF TRANSFERS**

Information gathering and counseling of client, **3:50**

### **SUBCHAPTER J**

Income taxation of trusts and estates, **7:5**

### **SUBCHAPTER S STOCK**

Family limited partnerships, **13:36**

### **SUBSTANCE ABUSE**

See index heading **DRUGS AND DRUG ABUSE**

### **SUCCESSOR TRUSTEE**

See index heading **TRUSTS**

### **SUPPORT OF PERSONS**

Dispositive planning, **10:121**  
Federal transfer tax system, **6:30**  
Income taxation of trusts and estates, **7:77, 7:82**  
Trusts, **5:259**

### **SUPREME COURT OF TEXAS**

Attorney-client relationship, managing of, **2:4**

### **SURVIVORS AND SURVIVORSHIP**

Dispositive planning, **10:175-10:178**

### **TAX ADVISORS**

Dispositive planning, **10:43**

### **TAX ADVISORS—Cont'd**

Information gathering and counseling of client, **3:15**

### **TAX CUT AND JOBS ACT (TCJA) AND ONE BIG BEAUTIFUL BILL ACT OF 2025 (OBBA)**

Transfer taxes, planning, **12:12**

### **TAX DEFERRED RETIREMENT PLANS**

Dispositive planning  
general discussion, **10:200-10:221**  
for detailed treatment see index heading **DISPOSITIVE PLANNING**

### **TAX MATTERS**

Disclaimers, **15:3, 15:27-15:31, 15:35, 15:76**

Dispositive planning. See index heading **DISPOSITIVE PLANNING**

Durable power of attorney for, **9:40**

Franchise tax. See index heading **FRANCHISE TAX**

Goal of estate planning, tax minimization as, **1:13-1:16**

Income tax. See index heading **INCOME TAX**

Information gathering and counseling of client, **3:53-3:56**

Planning. See index heading **TAX PLANNING**

Retirement plans and planning  
general discussion, **8:29- 8:49**  
for detailed treatment see index heading **RETIREMENT PLANS AND PLANNING**

Sales to defective grantor trusts, **11:120**

Trusts. See index heading **TRUSTS**

Wills, **4:279, 4:286**

### **TAX PLANNING**

General discussion, **12:1-12:395**

Additional contributions, grantor retained annuity trust (GRAT), **12:259**

Administrative matters, **12:70, 12:300**

Aliens. See Non-U.S. citizens and residents, below

**TAX PLANNING—Cont'd**

All skip persons, GST exemption, **12:220**  
 Amount  
     bypass trusts, amount of property held in, **12:24**  
     grantor retained annuity trust (GRAT), amount of annuity, **12:252-12:256**  
 Annual exclusion, **12:2**  
     dynasty trusts, **12:208-12:210**  
     generation-skipping trust (GST), **11:68-11:71**  
     lifetime transfers. See Gifts and lifetime transfers, below  
     split gifts. See Split gifts, below  
 Annual withdrawal trust, annual exclusion from gift tax, **12:152**  
 Beneficiary's control over assets, maximizing, **12:38**  
 Business minority interest, leveraging gift, **12:195**  
 Bypass trusts  
     general discussion, **12:22-12:45**  
     advantages, **12:34, 12:35**  
     amount of property held in, **12:24**  
     assets used to fund bypass, **12:36**  
     beneficiary's control over assets, maximizing, **12:38**  
     benefits from bypass trust, maximizing, **12:42-12:45**  
     discretionary distribution of income, **12:43**  
     five and five power, **12:40**  
     formula funding, use of, **12:25-12:35**  
     fractional share bypass, **12:27**  
     homestead, funding of bypass, **12:49**  
     marital deduction trusts and gifts, bypass formula clauses, **12:59, 12:60**  
     pecuniary bypass, **12:28, 12:31-12:33**  
     power of appointment, **12:41**  
     residuary bypass, **12:29, 12:30, 12:35**  
     survivor's control over assets, maximizing, **12:37-12:41**

**TAX PLANNING—Cont'd**

Bypass trusts—Cont'd  
     trustee's control over assets, maximizing, **12:39**  
     who needs it, **12:23**  
 Capital gains exclusion, personal residence trust (PRT), **12:354**  
 Cash or money  
     irrevocable life insurance trusts, **12:106**  
     personal residence trust (PRT) and qualified personal residence trust (QPRT), **12:331, 12:332**  
 Cessation of use as personal residence, **12:338-12:341**  
 Charitable lead annuity trusts, allocation to, **12:233**  
 Charitable remainder trust, **12:116**  
 Charity, gift and estate tax deductions to, **12:18**  
 Children. See Gifts and lifetime transfers, below  
 Closely held business or stock, **12:132, 12:279**  
 Commutation  
     grantor retained annuity trust (GRAT), **12:262**  
     personal residence trust (PRT) and qualified personal residence trust (QPRT), **12:328**  
 Credits, non-U.S. citizens and residents, **12:388-12:391**  
 Crummey trust, annual exclusion from gift tax, **12:152**  
 Damage or destruction, personal residence trust (PRT) and qualified personal residence trust (QPRT), **12:340**  
 Deductions  
     gift and estate taxes, **12:16-12:18**  
     non-U.S. citizens and residents, **12:392-12:394**  
 Defective grantor trusts. See Sales to defective grantor trust, below  
 Definitions  
     "residence," **12:324**  
     "use," **12:339**  
 Depressed value of property  
     grantor retained annuity trust (GRAT), **12:289**

## INDEX

**TAX PLANNING—Cont'd**  
Depressed value of property—Cont'd  
leveraging gift, **12:190**  
Direct skips, generation-skipping tax,  
**12:381**  
Discounted value, leveraging gift,  
**12:191-12:198**  
Distributions, non-U.S. citizens and  
residents, **12:382**  
Domicile. See Residence, below  
Dynasty trusts  
    general discussion, **12:199-12:233**  
    all skip persons, GST exemption,  
**12:220**  
    annual exclusion, **12:208-12:210**  
    charitable lead annuity trusts,  
        allocation to, **12:233**  
    estate tax inclusion period, **12:219**,  
**12:232**  
    exemption  
        funding trust, **12:211**  
        GST exemption, allocation of,  
            generally, **12:217-12:233**  
    funding of trust, generally, **12:207**-  
**12:216**  
    generation-skipping tax exemption,  
        generally, **12:217-12:233**  
    grantor trust, structuring as, **12:206**  
    gross estate transfers, generally,  
**12:228-12:231**  
    highly appreciating property, fund  
        with, **12:214**, **12:215**  
    larger estate structure, **12:202**  
    late allocation of gross estate  
        transfers, **12:231**  
    late filed GST exemption, **12:225**-  
**12:227**  
    leveraging gift, **12:213**  
    life insurance, **12:216**  
    maximizing benefits, **12:203**-  
**12:206**  
    skip and non-skip persons, GST  
        exemption, **12:221**  
    smaller estate structure, **12:201**  
    structure, **12:200-12:206**  
    taxable gifts, **12:212-12:216**  
    time requirements  
        allocation of gross estate  
            transfers, **12:230**

**TAX PLANNING—Cont'd**  
Dynasty trusts—Cont'd  
    time requirements—Cont'd  
        GST exemption, timely filing of,  
**12:222-12:224**  
Estate taxes. See Gift and estate  
    taxes, below  
Estate trust, **12:75**  
Exceptions to gifts made within three  
    years of death, **12:135-12:140**  
Exclusions  
    annual exclusion, **12:2**  
    annual exclusion. See Annual  
        exclusion, above  
    capital gains exclusion, **12:354**  
    generation-skipping taxes, **12:21**  
        gift and estate taxes, **12:15**  
Exemptions  
    dynasty trusts, above  
    fundamental planning for all estate  
        plans over exemption amount,  
        generally, **12:22-12:117**  
    generation-skipping taxes, **12:20**  
    gifts and lifetime transfers, **12:160**-  
**12:163**  
    GST exemption, below  
    overview of tax reduction  
        techniques, **12:3**  
Expatriates, special rules for, **12:367**-  
**12:371**, **12:395**  
Extension of time to pay estate tax,  
**12:131-12:133**  
Fairly representative pecuniary  
    formula funding clauses, **12:65**  
Family limited partnership, **12:196**  
Five and five power, bypass trusts,  
**12:40**  
Five million dollars, taxable estate  
    over or under, **12:319**, **12:320**  
Fixed amount of annuity, grantor  
    retained annuity trust (GRAT),  
**12:253**  
Foreign countries. See Non-U.S.  
    citizens and residents, below  
Formula funding  
    bypass trusts, **12:25-12:35**  
    marital deduction trusts and gifts,  
**12:56-12:60**  
    partnerships, **13:63**

**TAX PLANNING—Cont'd**

Fractional interests  
 bypass trusts, **12:27**  
 marital deduction trusts and gifts,  
**12:57, 12:62**  
 personal residence trust (PRT) and  
 qualified personal residence  
 trust (QPRT), **12:359**  
 Fundamental planning for all estate  
 plans over exemption amount,  
 generally, **12:22-12:117**  
 Funding  
 dynasty trusts. See *Dynasty trusts*,  
 above  
 formula funding. See *Formula  
 funding*, above  
 irrevocable life insurance trusts,  
**12:104-12:107**  
 marital deduction trusts and gifts,  
**12:61-12:70**  
 Future use of property, leveraging  
 gift, **12:197**  
 Generation-skipping transfer tax  
 general discussion, **12:19-12:21,  
 12:83-12:87**  
 dynasty trusts, above  
 exclusions, **12:21**  
 exemptions, **12:20**  
 dynasty trusts. above  
 gifts and lifetime transfers, **12:129,  
 12:158**  
 grandchildren, effect of absence of,  
**12:86**  
 grantor retained annuity trust  
 (GRAT), **12:267**  
 irrevocable life insurance trust,  
 generation-skipping trust used  
 as, **12:109-12:111**  
 limitation on amounts held, **12:87**  
 maximizing control of property,  
**12:85**  
 non-U.S. citizens and residents,  
**12:378-12:385**  
 overview of benefits, **12:84**  
 Gift and estate taxes  
 general discussion, **12:11-12:18**  
 charity, deductions to, **12:18**  
 deductions, **12:16-12:18**  
 dynasty trusts, **12:219, 12:232**

**TAX PLANNING—Cont'd**

Gift and estate taxes—Cont'd  
 exclusions from tax, **12:15**  
 grantor retained annuity trust  
 (GRAT), **12:264-12:266,  
 12:268-12:270**  
 irrevocable trusts. See *Irrevocable  
 life insurance trusts*, below  
 lifetime transfers, **12:131-12:133,  
 12:140**  
 non-U.S. citizens. See *Non-U.S.  
 citizens and residents*, below  
 personal residence trust (PRT) and  
 qualified personal residence  
 trust (QPRT), **12:343-12:349**  
 rate of tax, **12:13**  
 sales to defective grantor trust,  
**12:307, 12:308**  
 split interests, lifetime transfers  
 using, **12:236-12:245**  
 spouse, deductions to, **12:17**  
 unified credit, **12:14**  
 Gifts and lifetime transfers  
 general discussion, **12:118-12:233**  
 annual exclusion  
 maximum use of, **12:141-  
 12:145**  
 qualifying for, **12:147-12:155**  
 annual withdrawal trust, annual  
 exclusion from gift tax,  
**12:152**  
 balancing tradeoffs imposed by  
 client's objectives, **12:120**  
 children  
 annual exclusion from gift tax,  
**12:153**  
 IRA funding for child, **12:144**  
 psychological impact of gifts on  
 children, **12:145**  
 uniform transfers to minors,  
 annual exclusion from gift  
 tax, **12:151**  
 use of exemption, **12:161**  
 closely held business extension of  
 time to pay estate tax, **12:132**  
 constraint on dispositive desires,  
 tax planning as, **12:119**  
 Crummey trust, annual exclusion  
 from gift tax, **12:152**

## INDEX

### TAX PLANNING—Cont'd

Gifts and lifetime transfers—Cont'd  
dynasty trusts. See *Dynasty trusts, above*  
exceptions to gifts made within three years of death, **12:135-12:140**  
exemption, use of, **12:160-12:163**  
extension of time to pay estate tax, **12:131-12:133**  
form of making gifts, **12:146-12:155**  
generation-skipping tax, **12:129, 12:158**  
grandchildren, **12:157, 12:161**  
income interests gifts, annual exclusion from gift tax, **12:149**  
intent to accumulate, **12:155**  
IRA funding for child, **12:144**  
leveraging. See *Leveraging gift, below*  
life insurance, exceptions to gifts made within three years of death, **12:136**  
limitation on Section 303 stock redemptions, **12:125**  
medical exclusion, maximum use of, **12:159**  
outright gifts, annual exclusion from gift tax, **12:148**  
psychological impact of gifts on children, **12:145**  
reasons for not making lifetime gifts, **12:122-12:133**  
remote descendants, gifts to, **12:156-12:158**  
retained life estate release, **12:137**  
reversionary interest release, **12:138**  
revocable transfer, **12:139**  
Section 6166 extension of time to pay estate tax, **12:131-12:133**  
Section 303 stock redemptions, **12:124-12:129**  
Section 2503(c) trusts, annual exclusion from gift tax, **12:150**  
special use valuation, **12:130**

### TAX PLANNING—Cont'd

Gifts and lifetime transfers—Cont'd  
split gifts. See *Split gifts, below*  
split interests. See *Split interests, lifetime transfers using, below*  
spouse, use of exemption for, **12:162**  
step up in basis at death, **12:123**  
tax benefits from gifts, **12:121**  
taxes on gifts. See *Gift and estate taxes, above*  
three years of death, gifts made within, generally, **12:134-12:140**  
tuition exclusion, maximum use of, **12:159**  
two or more businesses, interest in, **12:133**  
uniform transfers to minors, annual exclusion from gift tax, **12:151**  
Grandchildren  
generation-skipping trusts, **12:86**  
gifts and lifetime transfers, **12:157, 12:161**  
Grantor retained annuity trust (GRAT)  
general discussion, **12:246-12:290**  
additional contributions, **12:259**  
amount of annuity, **12:252-12:257**  
beneficial situations in which to use, **12:286-12:290**  
closely held stock, funding with, **12:279**  
commutation, **12:262**  
depressed value of assets, **12:289**  
estate tax consequences, **12:268-12:270**  
fixed amount of annuity, **12:253**  
generation-skipping tax consequences, **12:267**  
gift tax consequences, **12:264-12:266**  
health of grantor, **12:287**  
high return or high risk investment, **12:290**  
income in excess of annuity amount, **12:258**

**TAX PLANNING—Cont'd**

Grantor retained annuity trust (GRAT)—Cont'd  
 income taxation of GRAT, **12:271-12:276**  
 income taxation of trusts and estates, **11:94-11:99**  
 incorrect valuation of amount of annuity, **12:255**  
 increase of amount of annuity, **12:254**  
 increasing annuity payments, **12:285**  
 insufficient income to pay annuity, **12:281**  
 intentional grantor status, **12:275**  
 multiple GRATs, use of, **12:282**  
 other persons, payment to, **12:260**  
 payment of annuity requirement, **12:248-12:251**  
 percentage or fraction as payout, use of, **12:278**  
 planning considerations, **12:277-12:290**  
 prepayment, **12:251**  
 requirements, generally, **12:247-12:262**  
 return rate, **12:288, 12:290**  
 rolling GRATs, use of, **12:283**  
 S corporation stock owned by GRAT, **12:276**  
 Section 673 income taxation of GRAT, **12:274**  
 Section 677 income taxation of GRAT, **12:273**  
 short taxable years, **12:256**  
 tax consequences, generally, **12:263-12:276**  
 term, **12:261**  
 time for payment, **12:250**  
 transferring interests in closely held businesses, **11:88-11:99**  
 trustee, grantor as, **12:280**  
 use of term GRAT, **12:284**  
 withdrawal, right of, **12:249**

Grantor retained income trust (GRIT). See Personal residence trust (PRT) and Qualified

**TAX PLANNING—Cont'd**

personal residence trust (QPRT), below  
 GRAT. See Grantor retained annuity trust (GRAT), above  
 Gross estate transfers, generally, **12:228-12:231**  
 Health of grantor, grantor retained annuity trust (GRAT), **12:287**  
 Highly appreciating property, dynasty trust fund with, **12:214, 12:215**  
 High return or high risk investment, grantor retained annuity trust (GRAT), **12:290**  
 Homestead  
 bypass, funding of, **12:49**  
 specific bequest of homestead, **12:48-12:51**  
 survivor's homestead right, **12:47**  
 undivided interest, **12:51**  
 House grantor retained income trust (GRIT). See Personal residence trust (PRT) and Qualified personal residence trust (QPRT), below  
 Husband and wife. See Spouses, below  
 Improvements, personal residence trust (PRT) and qualified personal residence trust (QPRT), **12:334**  
 Income, donor taxed on, **12:198**  
 Income interests gifts, annual exclusion from gift tax, **12:149**  
 Income taxes  
 grantor retained annuity trust (GRAT), **12:271-12:276**  
 irrevocable life insurance trusts, **12:93, 12:103**  
 personal residence trust (PRT) and qualified personal residence trust (QPRT), **12:350-12:352**  
 sales to defective grantor trust, **12:309**  
 Insurance  
 life insurance, below  
 personal residence trust (PRT) and qualified personal residence trust (QPRT), **12:336**

## INDEX

**TAX PLANNING—Cont'd**

- Interest, personal residence trust (PRT), **12:356**
- IRA funding for child, **12:144**
- Irrevocable life insurance trusts
  - general discussion, **12:88-12:116**
  - administration of trust, **12:108**
  - advantages, **12:112-12:115**
  - cash, funding trust with, **12:106**
  - charitable remainder trust, use with, **12:116**
  - estate taxes. See Gift and estate taxes, below in this group
  - funding trust, **12:104-12:107**
  - generation-skipping trust used as, **12:109-12:111**
  - gift and estate taxes
    - general discussion, **12:97-12:102**
    - five thousand dollars, gifts in excess of, **12:99**
    - grantor, estate tax, **12:101**
    - life insurance, **12:91, 12:92**
    - present interest requirement, **12:98**
    - spouse, estate tax, **12:101**
  - income tax, **12:93, 12:103**
  - insurance policies, funding trust with, **12:105**
  - premiums, payment of, **12:107**
  - structure of trust, generally, **12:96-12:111**
  - taxation of life insurance, **12:90-12:93**
  - use of life insurance trust, **12:95**
  - wealth transfer vehicle, **12:94**
- Late allocation of gross estate transfers, **12:231**
- Late filed GST exemption, **12:225-12:227**
- Leveraging
  - general discussion, **12:189-12:198**
  - appreciation in assets, transferring of, **12:8**
  - business minority interest, **12:195**
  - combining multiple techniques, **12:9**
  - depressed value property, **12:190**
  - discounted value, **12:191-12:198**

**TAX PLANNING—Cont'd**

- Leveraging—Cont'd
  - dynasty trusts, **12:213**
  - family limited partnership, **12:196**
  - future use of property, **12:197**
  - income, donor taxed on, **12:198**
  - minority interest, **12:194-12:196**
  - overview of tax reduction techniques, **12:7-12:9**
  - real estate, interests in, **12:192, 12:193**
  - undivided interests in real estate, **12:192**
- Life estate, marital deduction trusts and gifts, **12:77**
- Life insurance
  - dynasty trusts, **12:216**
  - irrevocable trusts. See Irrevocable life insurance trusts, above
- Lifetime transfers. See Gifts and lifetime transfers, above
- Limitations
  - generation-skipping trusts, **12:87**
  - Section 303 stock redemptions, **12:125**
- Marital deduction trusts and gifts
  - general discussion, **12:52-12:82**
  - administration expenses, marital share funding clauses, **12:70**
  - advantages and disadvantages, **12:54**
  - bypass formula clauses, **12:59, 12:60**
  - distribution values, pecuniary formula funding clauses, **12:64**
  - estate trust, **12:75**
  - fairly representative pecuniary formula funding clauses, **12:65**
  - formula clauses, **12:56-12:60**
  - fractional formulas, **12:57, 12:62**
  - funding clauses, **12:61-12:70**
  - life estate, **12:77**
  - marital share funding clauses, **12:67-12:70**
  - minimum worth pecuniary formula funding clauses, **12:66**
  - outright bequest, **12:55, 12:73**

**TAX PLANNING—Cont'd**

- Marital deduction trusts and gifts
  - Cont'd
  - pecuniary formulas, **12:58, 12:63-12:66**
  - power of appointment, **12:76**
  - qualified domestic trusts (QDOT), **12:79-12:82**
  - qualified terminable interest property trust (QTIP), **12:78**
  - residuary formula clauses, **12:59, 12:60**
  - survival requirement, **12:72**
  - types of marital deduction qualifying interests, generally, **12:71-12:82**
  - unlimited marital deduction, **12:53**
  - valuation issues, marital share funding clauses, **12:69**
- Medical exclusion, maximum use of, **12:159**
- Medical payments, **12:4**
- Minimum worth pecuniary formula funding clauses, **12:66**
- Minority interest, leveraging gift, **12:194-12:196**
- Mortgage requirements, personal residence trust (PRT), **12:326, 12:335**
- Multiple GRATs, use of, **12:282**
- Net gifts, **12:185-12:188**
- Non-U.S. citizens and residents
  - general discussion, **12:362-12:395**
  - credits, **12:388-12:390, 12:391**
  - deductions, **12:392-12:394**
  - direct skips, generation-skipping tax, **12:381**
  - distributions, **12:382**
  - estate tax. See Gift and estate taxes, below in this group
  - expatriates, special rules for, **12:367-12:371, 12:395**
  - generation-skipping tax, generally, **12:378-12:385**
  - gift and estate taxes
    - general discussion, **12:372-12:377, 12:395**
    - credits, **12:389, 12:390**
    - deductions, **12:393, 12:394**

**TAX PLANNING—Cont'd**

- Non-U.S. citizens and residents
  - Cont'd
  - gift and estate taxes—Cont'd
    - inclusion period, **12:384**
  - history of rates and credits, **12:391**
  - long-term residence, termination of, **12:371**
  - loss of citizenship, **12:368-12:370**
  - motivation for loss of citizenship, **12:368-12:370**
  - property subject to tax, generally, **12:363-12:391**
  - rates, **12:387, 12:391**
  - situs of property subject to tax, **12:364-12:366**
  - special rules for expatriates, **12:367-12:371, 12:395**
  - transitional rule, **12:385**
  - trusts funded by property subject to generation-skipping tax, **12:383**
- Number of residences, limit on, **12:323**
- Pecuniary bypass trusts, **12:28, 12:31-12:33**
- Pecuniary formula funding clauses, **12:63-12:66**
- Pecuniary marital amount formula clause, **12:58**
- Percentage or fraction as payout, use of, **12:278**
- Personal residence trust (PRT) and qualified personal residence trust (QPRT)
  - general discussion, **12:315-12:361**
  - assets of trust, **12:329-12:333**
  - benefits, generally, **12:316-12:320**
  - capital gains exclusion, **12:354**
  - cash additions, **12:331, 12:332**
  - caveats, **12:357**
  - cessation of use as personal residence, **12:338-12:341**
  - commutation, **12:328**
  - damage or destruction, **12:340**
  - definitions, **12:324, 12:339**
  - estate tax consequences, **12:347-12:349**

## INDEX

### TAX PLANNING—Cont'd

Personal residence trust (PRT) and qualified personal residence trust (QPRT)—Cont'd  
five million dollars, taxable estate over or under, **12:319, 12:320**  
fractional interest, transfer of, **12:359**  
general requirements, **12:321-12:324**  
gift tax consequences, **12:343-12:346**  
improvements, **12:334**  
income tax consequences, **12:350-12:352**  
insurance, **12:336**  
interest, **12:356**  
miscellaneous tax considerations, **12:353-12:356**  
mortgage requirements, **12:326, 12:335**  
number of residences, limit on, **12:323**  
planning considerations, **12:358-12:361**  
property tax considerations, **12:355**  
real estate taxes, **12:356**  
reinvestment of proceeds, **12:327**  
requirements  
personal residence trust, **12:325-12:328**  
qualified personal residence trust, **12:329-12:341**  
risk factors, **12:357**  
sale of residence, **12:337**  
tax consequences, **12:342-12:356**  
types of trusts, **12:322**  
Power of appointment  
bypass trusts, **12:41**  
marital deduction trusts and gifts, **12:76**  
Premiums  
irrevocable life insurance trusts, **12:107**  
sales to defective grantor trust, **12:297**  
Prepayment, grantor retained annuity trust (GRAT), **12:251**

### TAX PLANNING—Cont'd

Property tax considerations, personal residence trust (PRT), **12:355**  
Psychological impact of gifts on children, **12:145**  
Qualified domestic trusts (QDOT), **12:79-12:82**  
Qualified personal residence trust (QPRT). See Personal residence trust (PRT) and Qualified personal residence trust (QPRT), above  
Qualified terminable interest property trust (QTIP), **12:78**  
Rates, non-U.S. citizens and residents, **12:387, 12:391**  
Real estate  
leveraging gifts, **12:192, 12:193**  
residence. See Residence, below  
Real estate taxes, **12:356**  
Reducing value of assets, **12:6**  
Reinvestment of proceeds, personal residence trust (PRT), **12:327**  
Remote descendants, gifts to, **12:156-12:158**  
Residence  
homestead. See Homestead, above  
personal residence trust. See Personal residence trust (PRT) and qualified personal residence trust (QPRT), above  
Residuary estate  
bypass trusts, **12:29, 12:30, 12:35**  
marital deduction trusts and gifts, **12:59, 12:60**  
Retained interest by grantor, **12:302-12:305**  
Retained life estate release, exception to gifts made within three years of death, **12:137**  
Retirement plan considerations, **12:117**  
Reversionary interest release, exception to gifts made within three years of death, **12:138**  
Revocable transfers  
exception to gifts made within three years of death, **12:139**

**TAX PLANNING—Cont'd**

Revocable transfers—Cont'd  
 irrevocable transfers. See Irrevocable life insurance transfers, above  
 Rolling GRATs, use of, **12:283**  
 Sales of property  
 defective grantor trust. See Sales to defective grantor trust, below  
 personal residence trust (PRT) and qualified personal residence trust (QPRT), **12:337**  
 Sales to defective grantor trust general discussion, **12:291-12:314**  
 addition of beneficiaries, power of trustee as to, **12:296**  
 administrative powers, **12:300**  
 benefits, **12:292**  
 caveats, **12:310-313**  
 completed gift, trust structured as, **12:301**  
 discretionary payment of income to grantor, **12:299**  
 estate tax consequences, **12:308**  
 gift tax consequences, **12:307**  
 income, grantor taxed on, **12:294-12:300**  
 income tax consequences, **12:309**  
 planning considerations, **12:314**  
 premium payment power, **12:297**  
 property not included in grantor's estate, trust structured as, **12:302-12:305**  
 requirements, **12:293-12:314**  
 retained interest by grantor, **12:302-12:305**  
 risk factors, **12:310-313**  
 spouse, payment of income to, **12:298**  
 sprinkling power of trustee, **12:295**  
 tax consequences, **12:306-12:309**  
 S corporation stock owned by GRAT, **12:276**  
 Section 6166 extension of time to pay estate tax, **12:131-12:133**  
 Section 303 stock redemptions, **12:124-12:129**  
 Section 2503(c) trusts, annual exclusion from gift tax, **12:150**

**TAX PLANNING—Cont'd**

Short taxable years, grantor retained annuity trust (GRAT), **12:256**  
 Situs of property subject to tax by non-U.S. citizens and residents, **12:364-12:366**  
 Skip and non-skip persons, GST exemption, **12:221**  
 Smaller estate, impact on spouse with, **12:184**  
 Special use valuation, gifts and lifetime transfers, **12:130**  
 Specific bequest of homestead, **12:48-12:51**  
 Split gifts  
 general discussion, **12:164-12:184**  
 annual exclusion considerations, generally, **12:164-12:184**  
 doubling of annual exclusion, **12:166**  
 general rules, **12:171**  
 gross estate, gift not included in, **12:172-12:174**  
 other Code Section than 2035, gift under, **12:181-12:183**  
 smaller estate, impact on spouse with, **12:184**  
 terminology, **12:168-12:170**  
 three years prior to death  
 death of donor within three years, **12:178-12:180**  
 gifts made less than, **12:175-12:177**  
 gifts made more than, **12:172-12:174**  
 Split interests, lifetime transfers using general discussion, **12:234-12:361**  
 estate tax sections, overview of, **12:239-12:245**  
 gift tax sections, overview of, **12:236-12:238**  
 grantor retained annuity trust. See Grantor retained annuity trust (GRAT), above  
 house grantor retained income trust (GRIT). See Personal residence trust (PRT) and Qualified personal residence trust (QPRT), above

## INDEX

**TAX PLANNING—Cont'd**

Split interests, lifetime transfers using  
—Cont'd  
overview, **12:234-12:245**  
sales. See Sales to defective  
grantor trust, above  
Spouses  
gift and estate taxes, **12:17**  
gifts and lifetime transfers, **12:162**  
marital deduction. See Marital  
deduction trusts and gifts,  
above  
sales to defective grantor trust,  
**12:298**  
Sprinkling power of trustee, **12:295**  
Step up in basis at death, gifts and  
lifetime transfers, **12:123**  
Survival requirement, marital deduc-  
tion trusts and gifts, **12:72**  
Survivor's control over assets,  
maximizing, **12:37-12:41**  
Tax-free transfers, **12:1-12:5**  
Term of grantor retained annuity trust  
(GRAT), **12:261**  
Three years of death, gifts made  
within  
gifts and lifetime transfers, **12:134-**  
**12:140**  
split gifts, above  
Time requirements  
dynasty trusts, above  
grantor retained annuity trust  
(GRAT), time for payment,  
**12:250**  
Trusts and trustees  
bypass trusts. See Bypass trusts,  
above  
charitable lead annuity trusts,  
allocation to, **12:233**  
charitable remainder trust, **12:116**  
Crummey trust, annual exclusion  
from gift tax, **12:152**  
defective grantor trusts. See Sales  
to defective grantor trust,  
below  
dynasty trusts. See Dynasty trusts,  
above  
house grantor retained income trust  
(GRIT). See Personal resi-

**TAX PLANNING—Cont'd**

Trusts and trustees—Cont'd  
dence trust (PRT) and Quali-  
fied personal residence trust  
(QPRT), above  
life insurance. See Irrevocable life  
insurance trusts, above  
marital deduction. See Marital  
deduction trusts and gifts,  
above  
pecuniary bypass trusts, **12:28,**  
**12:31-12:33**  
personal residence trust. See  
Personal residence trust (PRT)  
and qualified personal resi-  
dence trust (QPRT), above  
qualified domestic trusts (QDOT),  
**12:79-12:82**  
qualified personal residence trust  
(QPRT). See Personal resi-  
dence trust (PRT) and Quali-  
fied personal residence trust  
(QPRT), above  
qualified terminable interest prop-  
erty trust (QTIP), **12:78**  
retained annuity trust. See Grantor  
retained annuity trust  
(GRAT), above  
Tuition payments, **12:4, 12:159**  
Undivided interests, **12:51, 12:192**  
Unified credit, **12:14**  
Uniform transfers to minors, annual  
exclusion from gift tax, **12:151**  
Unlimited marital deduction, **12:53**  
Value  
depressed value. See Depressed  
value of property, above  
discounted value, **12:191-12:198**  
reducing value of assets, **12:6**  
Withdrawal right, grantor retained  
annuity trust (GRAT), **12:249**

## TECHNOLOGY

Attorney-client relationship, manag-  
ing of, **2:11**

## TEMPORARY ADMINISTRATORS

Wills, **4:498**

## TENANCY BY ENTIRETY

Community property system, **1:50**

**TENTATIVE TAXABLE INCOME**

Income taxation of trusts and estates, **7:17**

**TEN THOUSAND DOLLAR ANNUAL EXCLUSION**

Tax planning, **12:2**

**TEN YEAR AVERAGING**

Retirement plans and planning, **8:32**

**TERMINAL CONDITIONS**

Lifetime planning. See index heading LIFETIME PLANNING

**TERMINATION**

Attorney-client relationship, **2:76-2:79**

Federal transfer tax system, **6:177, 6:182, 6:207**

Income tax. See index heading INCOME TAXATION OF TRUSTS AND ESTATES

Trusts. See index heading TRUSTS

**TESTAMENTARY CAPACITY**

Wills

general discussion, **4:87- 4:98**  
for detailed treatment see index heading WILLS

**TESTAMENTARY TRUSTS**

Dispositive planning

general discussion, **10:68-10:76**  
for detailed treatment see index heading DISPOSITIVE PLANNING

**TESTATE DISPOSITION**

Probate

general discussion, **1:61, 1:62**  
for detailed treatment see index heading PROBATE

**TEXAS CONSENT TO MEDICAL TREATMENT ACT**

General discussion, **9:63, 9:76**

**TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT**

General discussion, **2:5, 2:7**

Information gathering and counseling of client, **3:2, 3:3**

**TEXAS TRANSFER TAX SYSTEM**

Amount of tax imposed  
inheritance tax. See Inheritance tax, below  
Overview, **6:6**

**THIRD PARTIES**

Goals of estate planning, **1:17-1:21**

Notice of durable power of attorney

to, **9:45**

Trusts. See index heading TRUSTS

**THREE YEARS OF DEATH, GIFTS WITHIN**

Federal transfer tax. See index head-

ing FEDERAL TRANSFER TAX SYSTEM

Tax planning. See index heading TAX PLANNING

**TICKLER SYSTEMS**

Attorney-client relationship, manag-

ing of, **2:86**

Information gathering and counseling

of client, **3:58-3:61**

**TIMBER**

Trusts, **5:232**

**TIME OR DATE**

Attorney-client relationship, manag-

ing of, **2:62-2:64**

Disclaimers

general discussion, **15:52-15:66**

for detailed treatment see index

heading DISCLAIMERS

Federal transfer tax. See index head-

ing FEDERAL TRANSFER TAX SYSTEM

Information gathering and counseling

of client, **3:50**

Tax planning. See index heading TAX

PLANNING

Trusts. See index heading TRUSTS

Wills. See index heading WILLS

**TITLE TO PROPERTY**

Dispositive planning, **10:163**

**TOLLING OF LIMITATIONS**

Will contests, **4:527**

**TORTS**

Trusts, **5:453**

## INDEX

### **TOTAL DISCLAIMERS**

General discussion, **15:17**

### **TRACING CHARACTER OF PROPERTY**

Dispositive planning, **10:95**

### **TRANSFERS**

See index heading **SALE OR TRANSFER OF PROPERTY**

### **TRANSFER TAXATION**

Generally, **6:1-6:13**

Basis considerations, **6:9-6:12**

Carry-over basis on gifts, **6:10**

Federal transfer tax system

generally, **6:14-6:249**

for detailed treatment see index heading **FEDERAL TRANSFER TAX SYSTEM**

Income tax considerations

generally, **6:8-6:13**

basis considerations, **6:9**

carry-over basis on gifts, **6:10**

step-up in basis at death, **6:11**

trusts, income taxation of property transferred to, **6:13**

Step-up in basis at death, **6:11**

Texas transfer tax system

for detailed treatment see index heading **TEXAS TRANSFER TAX SYSTEM**

Trusts, income taxation of property transferred to, **6:13**

Unified federal estate and gift tax system, **6:2-6:5**

### **TRUSTEE**

Trusts

general discussion, **5:330- 5:440**

for detailed treatment see index heading **TRUSTS**

### **TRUSTS**

General discussion, **5:1- 5:538**

Acceptance of trust

general discussion, **5:171- 5:176**

exercise of power, **5:174**

refusal of trustee to accept, **5:175**

signature of trustee, **5:173**

### **TRUSTS—Cont'd**

Acceptance of trust—Cont'd  
trustee, acceptance by, **5:172- 5:175**

Accounting

general discussion, **5:211- 5:236**

allocations of receipts and expenditures to income or principal  
general discussion, **5:216- 5:227**  
expenditures, generally, **5:225- 5:227**

importance of allocations among beneficiaries, **5:217**

income versus principal, allocations of, **5:234- 5:236**

reasonable allocation, **5:221**

receipts, generally, **5:222- 5:224**

terms of trust, **5:218**

Texas Trust Code, **5:219, 5:220**

beneficiary, demand for accounting by, **5:213**

business operations, **5:230**

contents of, **5:215**

corporate distributions, **5:228**

demand for accounting, **5:212- 5:214**

depletion, property subject to, **5:233**

expenditures, generally, **5:225- 5:227**

farming operations, **5:230**

interested person, demand for accounting by, **5:214**

natural resources, **5:231**

receipts, generally, **5:222- 5:224**

reserves, **5:229- 5:233**

Texas Trust Code, **5:219, 5:220**

timber, **5:232**

“trust account” distinguished, **5:116**

trustee's duty of accounting to beneficiaries, **5:371**

Accumulation of income, **5:45, 5:239**

Active versus passive trust, **5:105**

Administration of trust

general discussion, **5:177- 5:271**

accounting. See Accounting, above

**TRUSTS—Cont'd**

Administration of trust—Cont'd  
 court order as protection from liability, **5:181**  
 distributions. See *Distributions*, below  
 investments. See *Investments*, below  
 judicial authority, **5:180**  
 operative authority, **5:177- 5:181**  
 property management. See *Property management*, below  
 terms of trust, **5:178- 5:181**  
 Texas Trust Code, **5:179**  
 trust accounting. See *Accounting*, above  
 Affiliate defined, **5:80**  
 Agents and agency, **5:114, 5:379**  
 Age of person, **5:344, 5:503**  
 Agreements. See *Contracts and agreements*, below  
 Allocation of monies  
 accounting, above  
 modification of trust, **5:292**  
 Amount of compensation of trustee, **5:404**  
 Ancillary trustees, **5:430**  
 Annuity trusts, **5:495, 5:498**  
 Arbitration or mediation provision, **5:458, 5:459**  
 Arrangements with similar appearances, trusts distinguished from, **5:109- 5:120**  
 Assets, trustee's familiarity with, **5:335**  
 Attorneys  
 ethical considerations. See *Ethical considerations*, below  
 joint representation statement, form of, **5:523**  
 multiple generations of same family, form of representation statement for, **5:524**  
 Bailment distinguished, **5:112**  
 Beneficiaries  
 general discussion, **5:441- 5:449**  
 acceptance. See *Acceptance of trust*, above  
 accounting, demand for, **5:213**

**TRUSTS—Cont'd**

Beneficiaries—Cont'd  
 change. See *Modification or change*, below in this group  
 charitable beneficiaries, **5:137**  
 damages, rights of beneficiary, **5:446- 5:448**  
 death of, **5:135**  
 definitions, **5:66- 5:71**  
 distributions, beneficiary's right to income, **5:238**  
 incapacitated beneficiaries, **5:132**  
 injunctions, rights of beneficiary, **5:445**  
 liabilities of, **5:449**  
 minor beneficiaries, **5:132**  
 modification or change  
 circumstances, change of, **5:134**  
 trustees, beneficiary's desire as to change of, **5:136**  
 premature death of, **5:135**  
 real estate transactions, approval of, **5:194**  
 refusal to accept trust. See *Acceptance of trust*, above  
 remedies which may be asserted by, **5:443- 5:445**  
 rights of beneficiary, generally, **5:442- 5:448**  
 settlor as beneficiary, **5:329**  
 spendthrift trust, beneficiary/ settlor, **5:95, 5:96**  
 termination of trust, agreement of beneficiaries, **5:298**  
 trustee's liabilities to, generally, **5:432- 5:440**  
 what is beneficiary, **5:441**  
 Bond of noncorporate trustee, **5:355- 5:357**  
 Books and records, trustee's keeping of, **5:373**  
 Borrowing and lending power of trustee, **5:383**  
 Businesses and business operations, **5:191, 5:230**  
 Bypass trusts. See *index heading BYPASS TRUSTS*  
 Cash, property management, **5:204**

## INDEX

### TRUSTS—Cont'd

- CERCLA and related legislation, **5:186, 5:385**
- Change. See Modification or change, below
- Charitable remainder annuity trust, form of, **5:533**
- Charities and charitable trusts
  - general discussion, **5:492- 5:499**
  - amendment of charitable trust, **5:290**
  - annuity trusts, **5:495, 5:498**
  - beneficiaries, **5:137**
  - lead trusts, **5:493- 5:495**
  - pooled income trusts, **5:499**
  - remainder trusts, **5:496- 5:498**
  - unitrusts, **5:494, 5:497**
- Children. See Minors, trusts for, below
- Claims, property management, **5:209**
- Classifications of trusts
  - active versus passive trust, **5:105**
  - constructive trust, **5:101**
  - donative trusts, **5:106**
  - executed versus executory trust, **5:104**
  - express versus implied trusts, **5:100- 5:103**
  - pension and employee's trust, **5:107**
  - private versus charitable, **5:99**
  - real estate investment trusts, **5:108**
  - resulting trust, **5:102, 5:103**
- Closely held businesses. See index heading CLOSELY HELD BUSINESS OR STOCK
- Combination of trusts, **5:293, 5:294**
- Commengling of property by trustee, **5:367, 5:368**
- Common law, **5:37**
- Compensation of trustee, **5:403- 5:405**
- Competence of lawyer, **5:2**
- Completeness of trust, **5:129**
- Completion of services, **5:28- 5:30**
- Complexity of trust, **5:334**
- Compromise of claims, **5:380**
- Confidentiality with client, **5:5**

### TRUSTS—Cont'd

- Conflicts of interest
  - ethical considerations, **5:20**
  - multiple clients, **5:10**
  - trustee, **5:337, 5:338**
- Consent of parties to termination of trust, **5:297**
- Consideration for creation of trust, **5:160**
- Construction of employees trust, **5:53**
- Constructive trust, **5:101**
- Contracts and agreements
  - distinguished from trusts, **5:110**
  - ethical considerations, **5:24**
  - third persons dealing with trust, **5:454, 5:455**
- Conveyance by trustee, **5:451**
- Corporate disbursements, **5:276**
- Corporate fiduciaries, **5:350- 5:352, 5:424, 5:425**
- Costs and expenses
  - administration, costs of, **5:313**
  - funeral expenses, payment of, **5:382**
  - minors, trusts for, **5:508**
  - trustee, **5:346, 5:410**
- Cotrustees, **5:13, 5:338, 5:411- 5:413**
- Court definitions, **5:83**
- Court order as protection from liability, **5:181**
- Creation of trust
  - general discussion, **5:149 et seq.**
  - acceptance. See Acceptance of trust, above
  - consideration, **5:160**
  - declaration, **5:151**
  - intention to create, **5:157**
  - inter vivos transfer of property, **5:152**
  - power of appointment, exercise of, **5:154**
  - promise to create trust, **5:155**
  - property of trust, **5:159**
  - statutory methods, generally, **5:150- 5:155**
  - statutory requirements, generally, **5:156- 5:160**

**TRUSTS—Cont'd**

Creation of trust—Cont'd  
 testamentary transfer of property,  
**5:153**  
 validity. See Validity of trust,  
 below  
 written evidence, **5:158**  
 Creditors, trusts for minors, **5:513-**  
**5:518**  
 Credit shelter bypass trust, form of,  
**5:529**  
 Crummey powers, **5:485- 5:490**  
 form of, **5:532**  
 Current beneficiary defined, **5:68**  
 Custodianship, trusts for minors,  
**5:509**  
 Damages  
 beneficiary, **5:446- 5:448**  
 trustee, **5:434, 5:435**  
 Death and death benefits, **5:46, 5:47,**  
**5:135**  
 Debt distinguished, **5:111**  
 Declaration of trust, **5:151**  
 Deep pockets of trustee, **5:341**  
 Definitions  
 affiliate, **5:80**  
 beneficiary, **5:66- 5:71**  
 court, **5:83**  
 current beneficiary, **5:68**  
 discretionary beneficiary, **5:71**  
 fiduciary relationship, **5:56**  
 interest, **5:76**  
 interested person, **5:75**  
 inter vivos trust, **5:62**  
 inventory value, **5:81**  
 person, **5:74**  
 property, **5:77**  
 property management, **5:207**  
 relative, **5:82**  
 remainder beneficiary, **5:69**  
 revocable or irrevocable trust, **5:85**  
 settlor and synonyms, **5:64**  
 spendthrift trust, **5:90**  
 terms of trust or trust terms, **5:78**  
 transaction, **5:79**  
 trust, **5:61**  
 trustee, **5:65**  
 Delegation of duties by trustee, **5:372**

**TRUSTS—Cont'd**

Demand for accounting, **5:212- 5:214**  
 Denial of compensation to trustee,  
**5:405**  
 Depletion, property subject to, **5:233**  
 Deposits by corporate trustee with  
 self, **5:420**  
 Development of trust law, **5:31**  
 Diligence of trustee, **5:340**  
 Directed trusts, **5:522**  
 Direct skip, generation-skipping trust  
 (GST), **5:477**  
 Disclaimers  
 general discussion, **15:23, 15:38,**  
**15:84**  
 acceptance. See Acceptance of  
 trust, above  
 Disclosure, ethical considerations,  
**5:5**  
 Discretionary matters  
 beneficiary defined, **5:71**  
 distributions, **5:243- 5:247**  
 spendthrift trust, **5:97**  
 termination of trust, discretion of  
 trustee, **5:317**  
 Dispositive planning. See index head-  
 ing **DISPOSITIVE PLANNING**  
 Distributions  
 general discussion, **5:237- 5:271**  
 accumulation of income, **5:239**  
 arbitration or mediation provision,  
 distributions in trustee's  
 discretion, **5:459**  
 beneficiary's right to income,  
**5:238**  
 discretionary distributions, **5:243-**  
**5:247**  
 education, invasion of principal,  
**5:261- 5:264**  
 emergency needs, **5:258**  
 excess of income, **5:246**  
 generation-skipping trust (GST),  
**5:473**  
 inability to handle income, **5:245**  
 incapacitated beneficiary distribu-  
 tion to, **5:269- 5:271**  
 income distributions, generally,  
**5:238- 5:247**

## INDEX

### TRUSTS—Cont'd

Distributions—Cont'd  
invasion of principal  
general discussion, **5:251- 5:264**  
application by trustee rather than  
direct payment, **5:255**  
consideration of other resources,  
**5:253**  
distinguished from right of  
access, **5:252**  
education, **5:261- 5:264**  
emergency needs, **5:258**  
need for invasion provision,  
**5:256**  
single versus multiple invasion  
provisions, **5:254**  
standard of invasion, **5:257**  
standard of living, **5:260**  
support, **5:259**  
mandatory distributions, **5:240-**  
**5:242**  
minor beneficiary distribution to,  
**5:269- 5:271**  
principal, distributions of, generally,  
**5:248- 5:264**  
stages, distributions of principal in,  
**5:250**  
standard for distribution, **5:247**  
standard of living, **5:260**  
stated ages, distributions of  
principal at, **5:249**  
support, **5:259**  
termination of trust, **5:310**  
Diversification of property, **5:189**  
Divided loyalties, recognition of, **5:6-**  
**5:8**  
Division of trusts, **5:291- 5:294**  
Divorce, effect of, **5:315, 5:516**  
Donative trusts, **5:106**  
Drafting principles  
general discussion, **5:121- 5:127**  
precision and accuracy, **5:121**  
purpose of trust, **5:127**  
readability, **5:122- 5:126**  
trustee, **5:393- 5:401**  
Education, invasion of principal,  
**5:261- 5:264**  
Emergency needs, invasion of  
principal, **5:258**

### TRUSTS—Cont'd

Empathy of trustee, **5:343**  
Employees trust. See Governing  
authority and law, below  
Environmental matters, **5:186, 5:385,**  
**5:436**  
Estate trust, **5:465**  
Ethical considerations  
general discussion, **5:1- 5:30**  
agreement, **5:24**  
changes in law, future advice as to,  
**5:30**  
client, generally, **5:3- 5:8**  
cobeneficiaries as clients, **5:14**  
competence of lawyer, **5:2**  
completion of services, **5:28- 5:30**  
confidentiality with client, **5:5**  
conflicts of interest, **5:10, 5:20**  
cotrustees as clients, **5:13**  
disclosure, **5:5**  
divided loyalties, recognition of,  
**5:6- 5:8**  
fees, **5:25**  
identification of client, **5:4**  
identify capacity in which  
represented, **5:22**  
multiple clients, **5:9- 5:14**  
multiple roles, single individual  
with, **5:15- 5:22**  
nonclients advised of  
nonrepresentation, **5:21**  
parents and children as clients,  
**5:12**  
reminders to review planning, **5:29**  
scope and terms of service, **5:26**  
settlor/beneficiary, **5:17**  
settlor/trustee, **5:18**  
spouses as clients, **5:11**  
termination of relationship, **5:28-**  
**5:30**  
Texas Disciplinary Rules of  
Professional Conduct, **5:1**  
timely performance of services,  
**5:27**  
trustee/beneficiary, **5:19**  
Excessive restrictions, **5:146**  
Exculpatory provision for fiduciaries,  
**5:456**

**TRUSTS—Cont'd**

Executed versus executory trust, **5:104**  
 Executorship distinguished, **5:115**  
 Exemption from taxes and debts, employees trust, **5:50**  
 Exercise of power, acceptance of trust by, **5:174**  
 Exhaustion of trust assets, **5:137**  
 Exoneration of trustee, **5:406- 5:410**  
 Expenses. See Costs and expenses, above  
 Experience handling money, trusts for minors, **5:510**  
 Express versus implied trusts, **5:100- 5:103**  
 Family, trustee's familiarity with, **5:336**  
 Family limited partnerships, **13:42**  
 Farming operations, accounting for, **5:230**  
 Feasibility, **5:141- 5:143**  
 Federal estate tax, minimization of, **5:481**  
 Federal transfer tax system, **6:49**  
 Fees, **5:25**  
 Fertile octogenarian, rule against perpetuities, **5:170**  
 Fiduciary relationship, generally, **5:55- 5:59**  
 Financial stability, **5:314**  
 Flexibility, **5:144- 5:148**  
 Fraudulent purposes, **5:165- 5:167**  
 Funding insurance trust, **5:491**  
 Funeral expenses, payment of, **5:382**  
 Generation-skipping trust (GST)  
     general discussion, **5:467- 5:479**  
     annual exclusion gifts, **11:68-11:71**  
     computation of tax, **5:479**  
     direct skip, **5:477**  
     distribution, **5:473**  
     effective dates, **5:469- 5:471**  
     grantor-retained annuity trusts, **11:90**  
     objective, **5:468**  
     sales to defective grantor trusts, **11:127**  
     taxable events, **5:472- 5:477**  
     tax considerations, **5:472- 5:479**

**TRUSTS—Cont'd**

Generation-skipping trust (GST)  
     —Cont'd  
     terminations, **5:474- 5:476**  
 Good faith, trustees duty of, **5:364**  
 Governing authority and law  
     general discussion, **5:32- 5:54**  
     accumulation of income, **5:45**  
     charitable remainder trust, **5:54**  
     common law, **5:37**  
     construction of employees trust, **5:53**  
     death benefits, **5:46, 5:47**  
     employees trust  
         general discussion, **5:43- 5:53**  
         accumulation of income, **5:45**  
         construction, **5:53**  
         death benefits, **5:46, 5:47**  
         exemption from taxes and debts, **5:50**  
         prior designations, **5:52**  
         rule against perpetuities, **5:44**  
         unclaimed benefits, **5:49**  
         validity of trust declaration, **5:48**  
         exemption from taxes and debts, **5:50**  
     Medicaid aspects of personal injury cases, **5:41**  
     other trust laws, **5:38**  
     rule against perpetuities, **5:44**  
     Section 142 court created trusts, **5:39**  
     Section 1301 management trusts, **5:40**  
     special needs trusts, **5:42**  
     terms of trust, **5:32**  
     Texas Trust Act, **5:36**  
     Texas Trust Code, **5:33- 5:35**  
     unclaimed benefits, **5:49**  
 Grantor. See Settlor, below  
 Guardian or guardian ad litem  
     avoidance of guardianship, **5:502- 5:508**  
     distinguished from trust, **5:117**  
     modification of trust, **5:289**  
     termination of trust, **5:307**  
 Hanging power, life insurance trusts, **5:490**

## INDEX

### TRUSTS—Cont'd

History and development of trust law, **5:31**  
Husband and wife. See Spouse, below  
Identification of client, **5:4**  
Impartiality, trustee's duty of, **5:363**  
Implied powers of trustee, **5:384**  
Inability to handle income, **5:245**  
Incapacitated beneficiaries, **5:132, 5:269- 5:271**  
Income  
allocations of. See Accounting, above  
distributions of. See Distributions, above  
Income tax. See index heading  
INCOME TAXATION OF TRUSTS AND ESTATES  
Incorporation by reference, **5:400**  
Informing beneficiaries, trustee's duty of, **5:370**  
Injunctions, beneficiaries right to, **5:445**  
Insurance  
life insurance. See Life insurance trusts, below  
property management, **5:202**  
Integrity of trustee, **5:339**  
Intention to create trust, **5:157**  
Interest defined, **5:76**  
Interested person  
defined, **5:75**  
demand for accounting by, **5:214**  
Internal Revenue Code  
Section 2503(c), **5:519**  
Inter vivos trust, **5:62, 5:152**  
form of postponement of distribution of, **5:537**  
In terrorem clause, **5:457**  
form of, **5:528**  
Invasion of principal. See Distributions, above  
Inventory value, **5:81**  
Investigation of prior fiduciaries, **5:377**  
Investments  
general discussion, **5:182- 5:190**  
acceptable property, **5:185**

### TRUSTS—Cont'd

Investments—Cont'd  
additional property contributed to trust, **5:184- 5:186**  
CERCLA and related legislation, **5:186**  
diversification of property, **5:189**  
environmental concerns, **5:186**  
original property contributed to trust, **5:183**  
periodic review of, **5:375**  
retention of contributed property, **5:188**  
standard of investment, **5:190**  
trustee, property acquired by, **5:187**  
Uniform Prudent Investor Act, **5:273**  
Irrevocable. See Revocable or irrevocable, below  
Joint representation statement, form of, **5:523**  
Judgments  
minors, trusts for, **5:515**  
modification of trust, **5:282- 5:289**  
termination of trust, **5:300- 5:307**  
Judicial reformation, **5:283**  
Jurisdiction  
modification of trust, **5:284**  
termination of trust, **5:302**  
Knowledge. See Notice or knowledge, below  
Lead trusts, **5:493- 5:495**  
Leases, property management, **5:197**  
Legal purposes, validity of trust for, **5:162**  
Liabilities  
beneficiary, **5:449**  
third persons dealing with trust, **5:452**  
trustee. See Trustee, below  
Life insurance trust  
Crummey powers, form of, **5:532**  
irrevocable trust, form of, **5:532**  
Life insurance trusts  
general discussion, **5:480- 5:491**  
Crummey powers, **5:485- 5:490**  
failure to exercise Crummey power, **5:487- 5:490**

**TRUSTS—Cont'd**

Life insurance trusts—Cont'd  
 federal estate tax, minimization of, **5:481**  
 funding insurance trust, **5:491**  
 hanging power, **5:490**  
 notice, Crummey powers, **5:486**  
 power of appointment, **5:488-5:490**  
 premiums, payment of, **5:484**  
 third-party ownership, **5:482, 5:483**

Lifetime planning. See index heading LIFETIME PLANNING

Limitations and restrictions. See Trustees, below

Litigation considerations of fiduciaries, **5:456- 5:459**

Loans to trustee as self-dealing, **5:415**

Location of trustee, **5:344**

Loyalty, trustee's duty of, **5:362**

Management. See Property management, below

Mandatory distributions, **5:240- 5:242**

Mandatory versus discretionary terms, **5:145**

Marital deduction trust, **5:461- 5:466**  
 QDOT trust, form of, **5:531**  
 QTIP trust, form of, **5:530**

Merger of interests, **5:168, 5:299**

Minerals, property management, **5:201**

Minors, trusts for  
 general discussion, **5:501- 5:521**  
 age of receipt, **5:503**  
 annual withdrawal rights, **5:520**  
 controlling future disposition, **5:511**  
 creditors, **5:513- 5:518**  
 custodianship, **5:509**  
 designation of trustees, **5:504**  
 disposition at death, **5:506**  
 distributions, **5:269- 5:271**  
 divorce, **5:516**  
 expense, **5:508**  
 experience handling money, **5:510**

**TRUSTS—Cont'd**

Minors, trusts for—Cont'd  
 guardianship, avoidance of, **5:502-5:508**  
 inability to handle money, **5:514**  
 Internal revenue Code Section 2503(c), **5:519**  
 judgments, **5:515**  
 payment of all income to trust beneficiary, **5:521**  
 plan for reasonably foreseeable contingencies, **5:132**  
 potential creditors, **5:518**  
 powers of trustees, **5:505**  
 preservation of wealth, **5:512**  
 privacy, **5:507**  
 substance abuse, **5:517**  
 withdrawal rights, **5:520**

Modification of trust  
 general discussion, **5:278- 5:294**  
 allocation of trust property on division of trusts, **5:292**  
 charitable trust, amendment of, **5:290**  
 combination of trusts, **5:293, 5:294**  
 Decanting, judicial modification alternative, **5:281**  
 division of trusts, **5:291- 5:294**  
 grounds for judicial modification, **5:282**  
 guardian ad litem, **5:289**  
 irrevocable trust, **5:280**  
 judgment of judicial modification, **5:288**  
 judicial modification, **5:282- 5:289**  
 jurisdiction for judicial modification, **5:284**  
 necessary parties for judicial modification, **5:286**  
 notices for judicial modification, **5:287**  
 pleadings for judicial modification, **5:288**  
 revocable trust, **5:279, 5:325**  
 terms of trust, **5:279- 5:289**  
 testamentary trusts, combination of, **5:294**  
 venue for judicial modification, **5:285**

## INDEX

### TRUSTS—Cont'd

Modification or change  
beneficiaries. See Beneficiaries,  
above  
ethical considerations, future  
advice as to changes in law,  
**5:30**  
inevitability of change, **5:148**  
trust. See Modification of trust,  
above  
Mortgage of property, **5:195**  
Multiple clients, **5:9- 5:14**  
Multiple generations of same family,  
form of representation statement  
for, **5:524**  
Multiple roles, single individual with,  
**5:15- 5:22**  
Multiple trustees, **5:353, 5:354**  
Natural resources, accounting for,  
**5:231**  
Necessary parties for judicial  
modification or termination,  
**5:286, 5:304**  
Net investment, defined, **5:207**  
Net proceeds, defined, **5:207**  
Notice or knowledge  
judicial modification or termina-  
tion, notices for, **5:287, 5:305**  
life insurance trusts, Crummey  
powers, **5:486**  
Option distinguished, **5:113**  
Parents and children as clients, **5:12**  
Partnerships  
contracts of trustee, **5:455**  
disbursements from partnerships,  
**5:276**  
Payment of money to trustee, **5:450**  
Pension and employee's trust, **5:107**  
Periodic review of investments by  
trustee, **5:375**  
Personality of trustee, **5:342**  
Pleadings for judicial termination or  
modification, **5:288, 5:306**  
Pooled income trusts, **5:499**  
Possession of trust property, trustee's  
duty to take, **5:365**  
Postponement of distribution, form  
of, **5:537**  
Potential creditors, **5:518**

### TRUSTS—Cont'd

Power distinguished, **5:119**  
Power of appointment  
creation of trust by exercise of,  
**5:154**  
life insurance trusts, **5:488- 5:490**  
marital deduction trust, **5:464**  
termination of trust, **5:318- 5:320**  
Precision and accuracy, drafting  
principles, **5:121**  
Premature death of beneficiaries,  
**5:135**  
Premiums, payment of, **5:484**  
Preservation of wealth or property,  
**5:366, 5:512**  
Principal  
allocations of. See Accounting,  
above  
distributions of. See Distributions,  
above  
Uniform Principal and Income Act,  
**5:274**  
Prior fiduciaries, investigation of,  
**5:377**  
Privacy, trusts for minors, **5:507**  
Private versus charitable trusts, **5:99**  
Productivity of trust, **5:374**  
Promise to create trust, creation of  
trust by, **5:155**  
Property management  
general discussion, **5:191- 5:210**  
beneficiary approval of real estate  
transactions, **5:194**  
business entities, **5:191**  
cash, **5:204**  
claims, **5:209**  
common trust funds, **5:210**  
court's power with respect to real  
estate, **5:193**  
creation of trust, **5:159**  
definitions, **5:77, 5:207**  
insurance, **5:202**  
leases, **5:197**  
minerals, **5:201**  
mortgage of property, **5:195**  
net investment, defined, **5:207**  
net proceeds, defined, **5:207**  
options, **5:198**

**TRUSTS—Cont'd**

Property management—Cont'd  
 real estate, generally, **5:192- 5:200**  
 repairs, **5:199**  
 sale or conveyance of real property, **5:200**  
 securities, **5:203**  
 tangible personal property, **5:205**  
 transfers of real estate, **5:196**  
 underproductive property, **5:206, 5:207**  
 value, defined, **5:207**  
 worthless property, **5:208**  
 Protecting debtor beneficiaries, **5:92**  
 Provision for completion of cycle from creation through termination, **5:130- 5:140**  
 Prudence, trustee's duty of, **5:358, 5:359, 5:361**  
 Public policy, **5:164**  
 Purpose of trust, drafting principles, **5:127**  
 QDOT trust. See index heading QDOT TRUSTS  
 QTIP trust. See index heading QTIP TRUSTS  
 Readability, drafting principles, **5:122- 5:126**  
 Real estate  
 issues affecting trusts holding real estate or real estate investments, **5:275**  
 management. See Property management, above  
 Real estate investment trusts, **5:108, 5:275**  
 Reasonable investment strategy of trustee, **5:359**  
 Reasonably foreseeable contingencies, plan for, **5:131- 5:140, 5:147**  
 Receivership distinguished, **5:118**  
 Refusal  
 beneficiary's refusal to accept. See Acceptance of trust, above  
 trustee's refusal to accept trust, **5:175**  
 Reimbursement of trustee, **5:409**  
 Relationships, generally, **5:133**

**TRUSTS—Cont'd**

Relative defined, **5:82**  
 Release of liability by beneficiary, **5:439**  
 Religion, termination of trust, **5:316**  
 Remainder beneficiary, **5:69**  
 Remainder trusts, **5:496- 5:498**  
 Remedies which may be asserted by beneficiary, **5:443- 5:445**  
 Removal of trustee. See Trustee, below in this group  
 Repairs, property management, **5:199**  
 Reservation of powers by settlor, **5:324**  
 Reserves, accounting, **5:229- 5:233**  
 Residence, provision for, **5:382**  
 Resignation of trustee, **5:421, 5:422**  
 Resulting trust, **5:102, 5:103**  
 Retention of contributed property, **5:188**  
 Retirement plans. See index heading RETIREMENT PLANS AND PLANNING  
 Review of investments by trustee, **5:375**  
 Revocable or irrevocable  
 form of trust, **5:532**  
 modification of trust, **5:279**  
 settlor's power to revoke trust, **5:325, 5:326**  
 termination of trust, **5:296**  
 trusts, generally, **5:84- 5:88, 5:280**  
 Rule against perpetuities  
 employees trust, **5:44**  
 termination of trust, **5:308**  
 validity of trust, **5:169, 5:170**  
 Sale or transfer of property, **5:196, 5:200, 5:416- 5:418**  
 Section 142 court created trusts  
 governing authority and law, **5:39**  
 Section 1301 management trusts, governing authority and law, **5:40**  
 Section 2503(c) trust, form of, **5:538**  
 Section 142 trusts  
 general discussion, **5:500**  
 application, form of, **5:534**  
 decree for, form of, **5:535**

## INDEX

### TRUSTS—Cont'd

Section 142 trusts—Cont'd  
standard 142 trust for healthy minor, form of, **5:536**  
Section 867 trusts, **5:500**  
Securities, **5:203, 5:419**  
Segregation of trust property, trustee's duty as to, **5:367, 5:368**  
Self-dealing by trustee, **5:414- 5:420**  
Separation of legal and equitable title, **5:72**  
Settlor  
general discussion, **5:321- 5:329**  
beneficiary, settlor as, **5:329**  
definitions, **5:64**  
ethical considerations, **5:17, 5:18**  
legal capacity, **5:322**  
modification of revocable trust, **5:325**  
powers of settlor, **5:323- 5:327**  
reservation of powers, **5:324**  
revocable trust, power to modify or revoke, **5:325, 5:326**  
trustee  
power to alter trustee's responsibilities, **5:327**  
settlor as, **5:18, 5:328**  
what is settlor, **5:321, 5:322**  
Signature of trustee, **5:173**  
Size and nature of trust, **5:136, 5:334**  
Small trust provision, form of, **5:525**  
Spendthrift trust  
general discussion, **5:89- 5:97**  
beneficiary/settlor, **5:95, 5:96**  
definition, **5:90**  
discretionary trust, **5:97**  
drafting provisions, **5:94**  
informing settlor, **5:93**  
policy considerations, **5:91- 5:94**  
protecting debtor beneficiaries, **5:92**  
Spouse  
clients, ethical considerations of spouses as, **5:11**  
Stages, distributions of principal in, **5:250**  
Standard of living, **5:260**

### TRUSTS—Cont'd

Stated ages, distributions of principal at, **5:249**  
Statutes and statutory provisions creation of trust. See Creation of trust, above  
Texas Trust Act, **5:36**  
Texas Trust Code. See Texas Trust Code, below  
Texas Uniform Transfers to Minors Act (TUTMA) distinguished, **5:120**  
trustee, statutory exoneration, **5:407**  
validity of trust, **5:163**  
Substance abuse, trusts for minors, **5:517**  
Substantive correctness of trust, **5:128**  
Successor trustee, **5:426- 5:429**  
form of provision for, **5:526**  
Support, invasion of principal for, **5:259**  
Tangible personal property, **5:205**  
Taxes  
federal estate tax, minimization of, **5:481**  
generation-skipping trust. See Generation-skipping trust (GST), above  
grantor-retained annuity trusts, **11:88-11:99**  
trustee See Trustee, below  
Tax planning. See index heading TAX PLANNING  
Termination of relationship, **5:28- 5:30**  
Termination of trust  
general discussion, **5:295- 5:320**  
beneficiaries, agreement of, **5:298**  
consent of parties, **5:297**  
costs of administration, **5:313**  
discretion of trustee, **5:317**  
distributions on termination, **5:310**  
divorce, **5:315**  
effect of, **5:309**  
financial stability, **5:314**  
flexibility of provision for termination, **5:312**

**TRUSTS—Cont'd**

Termination of trust—Cont'd  
 generation-skipping trust (GST), **5:474- 5:476**  
 grounds for judicial termination, **5:301**  
 guardian ad litem, **5:307**  
 judgment for judicial termination, **5:306**  
 judicial termination, generally, **5:300- 5:307**  
 jurisdiction for judicial termination, **5:302**  
 merger of interests, termination on, **5:299**  
 necessary parties for judicial termination, **5:304**  
 notices for judicial termination, **5:305**  
 pleadings for judicial termination, **5:306**  
 powers of appointment, **5:318- 5:320**  
 provision for termination, **5:311- 5:320**  
 religion, **5:316**  
 revocable trust, terms of, **5:296**  
 rule against perpetuities, **5:308**  
 terms of trust, **5:295, 5:296**  
 trustee, discretion of, **5:317**  
 venue for judicial termination, **5:303**  
 Terms of trust  
     general discussion, **5:128- 5:148**  
     definitions, **5:78**  
     governing authority and law, **5:32**  
 Testamentary transfer of property, **5:153**  
 Testamentary trusts, combination of, **5:294**  
 Texas Disciplinary Rules of Professional Conduct, **5:1**  
 Texas Trust Act, **5:36**  
 Texas Trust Code  
     administration of trust, **5:179**  
     allocations of receipts and expenditures to income or principal, **5:219, 5:220**

**TRUSTS—Cont'd**

Texas Trust Code—Cont'd  
 governing authority and law, **5:33- 5:35**  
 Texas Uniform Transfers to Minors Act (TUTMA) distinguished, **5:120**  
 Third persons dealing with trust  
     general discussion, **5:450- 5:455**  
     contracts of trustee, **5:454, 5:455**  
     conveyance by trustee, **5:451**  
     liability of trust property, **5:452**  
     life insurance trusts, **5:482, 5:483**  
     partnerships, contracts of trustee, **5:455**  
     payment of money to trustee, **5:450**  
     torts, commission of, **5:453**  
 Timber, accounting for, **5:232**  
 Time or date  
     ethical considerations, timely performance of services, **5:27**  
     generation-skipping trust (GST), effective dates, **5:469- 5:471**  
 Torts, commission of, **5:453**  
 Transaction defined, **5:79**  
 Trust accounting. See Accounting, above  
 Trustee  
     general discussion, **5:330- 5:440**  
     acceptance of trust, **5:172- 5:175**  
     accounting to beneficiaries, duty of, **5:371**  
     agents, employment of, **5:379**  
     age of trustee, **5:344**  
     amount of compensation, **5:404**  
     ancillary trustee, **5:430**  
     assets, familiarity with, **5:335**  
     beneficiary, liabilities of trustee to, generally, **5:432- 5:440**  
     bond of noncorporate trustee, **5:355- 5:357**  
     books and records, keeping of, **5:373**  
     borrowing and lending power, **5:383**  
     CERCLA legislation, **5:385**  
     commingling of property, **5:367, 5:368**

## INDEX

### TRUSTS—Cont'd

Trustee—Cont'd  
compensation, **5:403- 5:405**  
complexity of trust, **5:334**  
compromise of claims, **5:380**  
conflicts of interest, **5:337, 5:338**  
corporate trustee  
    pros and cons, **5:350- 5:352**  
    removal of, **5:424, 5:425**  
costs, award of, **5:410**  
cotrustees, **5:13, 5:338, 5:411- 5:413**  
damages for breach of trust, **5:434, 5:435**  
deep pockets, **5:341**  
definitions, **5:65**  
delegation of duties, **5:372**  
denial of compensation, **5:405**  
deposits by corporate trustee with self, **5:420**  
diligence, **5:340**  
drafting techniques, generally, **5:393- 5:401**  
duties and responsibilities, generally, **5:360- 5:377**  
empathy, **5:343**  
environmental concerns, **5:385, 5:436**  
ethical considerations of trustee/ beneficiary, **5:19**  
exoneration, **5:406- 5:410**  
expense, **5:346**  
factors in choosing trustee, **5:333- 5:346**  
failure to make profit, liabilities of trustee, **5:433**  
family, familiarity with, **5:336**  
funeral expenses, payment of, **5:382**  
good faith, duty of, **5:364**  
granting broader powers, **5:387, 5:388**  
impartiality, duty of, **5:363**  
implied powers, **5:384**  
incorporation by reference, **5:400**  
individual trustee, pros and cons, **5:347- 5:349**  
informing beneficiaries, duty of, **5:370**

### TRUSTS—Cont'd

Trustee—Cont'd  
integrity, **5:339**  
investigation of prior fiduciaries, **5:377**  
investments, periodic review of, **5:375**  
liabilities of trustee, generally, **5:431- 5:440**  
limitations and restrictions  
    cotrustees, **5:413**  
    liability, **5:437, 5:438, 5:440**  
    statutory powers, **5:390- 5:392**  
loans to trustee as self-dealing, **5:415**  
location of trustee, **5:344**  
loyalty, duty of, **5:362**  
majority power, limitations on liability, **5:440**  
multiple trustees, **5:353, 5:354**  
periodic review of investments, **5:375**  
personality, **5:342**  
possession of trust property, duty to take, **5:365**  
powers of trustee, generally, **5:378- 5:401**  
preservation and protection of trust property, duty as to, **5:366**  
prior fiduciaries, investigation of, **5:377**  
productivity of trust, **5:374**  
prohibited self-dealing, **5:414- 5:420**  
prudence, duty of, **5:358, 5:359, 5:361**  
reasonable investment strategy, **5:359**  
reimbursement, **5:409**  
release of liability by beneficiary, **5:439**  
removal of trustee  
    general discussion, **5:423- 5:425**  
    form of, **5:527**  
    will provisions for removal, **4:210- 4:213**  
residence, provision for, **5:382**  
resignation of trustee, **5:421, 5:422**

**TRUSTS—Cont'd**

Trustee—Cont'd  
 restatement of powers, **5:394-5:396**  
 review of investments, **5:375**  
 rights of trustee, generally, **5:402-5:410**  
 sales involving trustee as self-dealing, **5:416- 5:418**  
 securities of trustee, purchase of, **5:419**  
 segregation of trust property, duty as to, **5:367, 5:368**  
 self-dealing, **5:414- 5:420**  
 settlor. See Settlor, above  
 size of trust, **5:334**  
 specific assets, **5:389**  
 statutory exoneration, **5:407**  
 successor. See Successor trustee, above in this group  
 taxes  
 factors considered in choosing trustee, **5:345**  
 implications from removal of corporate fiduciary, **5:425**  
 limitations on statutory powers, **5:392**  
 payment of, **5:381**  
 termination of trust, **5:317**  
 terms of trust, duty to carry out, **5:369**  
 third persons. See Third persons dealing with trust, above  
 uphold and defend terms of trust, **5:376**  
 waiver of bond of noncorporate trustee, **5:357**  
 what is trustee, **5:330**  
 who can be trustee, **5:331**  
 who should be trustee, **5:332-5:357**  
 wills  
 general discussion, **4:187- 4:222**  
 for detailed treatment see index heading **WILLS**  
 winding up affairs, **5:386**  
 Trustor. See Settlor, above  
 Unclaimed benefits, employees trust, **5:49**

**TRUSTS—Cont'd**

Underproductive property, **5:206, 5:207**  
 Uniform Principal and Income Act, **5:274**  
 Uniform Prudent Investor Act, **5:273**  
 Unitrusts, **5:494, 5:497**  
 Validity of trust  
 general discussion, **5:161- 5:170**  
 fertile octogenarian, rule against perpetuities, **5:170**  
 fraudulent purposes, **5:165- 5:167**  
 legal purposes, **5:162**  
 merger of legal and equitable interests, **5:168**  
 public policy, **5:164**  
 rule against perpetuities, **5:169, 5:170**  
 statute, contrary to, **5:163**  
 Value, defined, **5:207**  
 Venue for judicial modification or termination, **5:285, 5:303**  
 Waiver of bond of noncorporate trustee, **5:357**  
 Winding up affairs by trustee, **5:386**  
 Withdrawal rights, trusts for minors, **5:520**  
 Worthless property, **5:208**  
 Writing requirements  
 creation of trust, written evidence, **5:158**

**TUITION**

Federal transfer tax system. See index heading **FEDERAL TRANSFER TAX SYSTEM**  
 Tax planning, **12:4, 12:159**

**TUTMA PROVISION**

Dispositive planning, **10:65**

**TWO PERCENT FLOOR**

Income taxation of trusts and estates, **7:11**

**TWO TIER SYSTEM**

Income taxation of trusts and estates, **7:48-7:50**

**TYPEWRITTEN SIGNATURE**

Wills, **4:55**

## INDEX

**UNCLAIMED BENEFITS**  
Employees trust, **5:49**

**UNCONSCIONABLE ATTORNEYS' FEES**  
General discussion, **2:66**

**UNDERPRODUCTIVE PROPERTY**  
Trusts, **5:206, 5:207**

**UNDIVIDED INTERESTS**  
Tax planning, **12:51, 12:192**

**UNDUE INFLUENCE**  
Wills. See index heading **WILLS**

**UNIFICATION OF TAX TREATMENT**  
Income taxation of trusts and estates, **7:41**

**UNIFIED CREDIT**  
Disclaimers, **15:32-15:34**  
Federal transfer tax. See index heading **FEDERAL TRANSFER TAX SYSTEM**  
Tax planning, **12:14**

**UNIFIED FEDERAL ESTATE AND GIFT TAX SYSTEM**  
Generally, **6:2-6:5**

**UNIFORM PRINCIPAL AND INCOME ACT**  
General discussion, **5:274**

**UNIFORM PRUDENT INVESTOR ACT**  
General discussion, **5:273**

**UNIFORM SINGLE-PARTY OR MULTIPLE-PARTY ACCOUNT**  
Generally, **3:69**

**UNIFORM TRANSFERS TO MINORS**  
Annual exclusion from gift tax, **12:151**

**UNITRUSTS**  
General discussion, **5:494, 5:497**

**UNLIMITED MARITAL DEDUCTION**  
Tax planning, **12:53**

**UNMARRIED COUPLES**  
Dispositive planning, **10:156**

**VALIDITY**  
Trusts  
general discussion, **5:161- 5:170**  
for detailed treatment see index heading **TRUSTS**

**VALUE AND VALUATION**  
Definition of value, **5:207**  
Estate planning, generally, **1:52**  
Family limited partnerships. See index heading **FAMILY LIMITED PARTNERSHIPS**  
Federal transfer tax system  
generally, **6:228-6:249**  
for detailed treatment see index heading **FEDERAL TRANSFER TAX SYSTEM**  
Information gathering and counseling of client, **3:20**  
Tax planning. See index heading **TAX PLANNING**

**VENUE**  
Trusts, **5:285, 5:303**

**VERIFICATION**  
Information gathering and counseling of client, **3:12**

**VESTED INTEREST**  
Dispositive planning, **10:104**

**VOID WILL**  
Revocation of, **4:444**

**WAIVER AND ESTOPPEL**  
Federal transfer tax system, **6:203**  
Retirement plans. See index heading **RETIREMENT PLANS AND PLANNING**  
Trusts, **5:357**  
Wills. See index heading **WILLS**

**WASTAGE OF DEDUCTIONS**  
Income taxation of trusts and estates, **7:46**

**WEALTH**  
Information gathering and counseling of client, **3:40**

**WILLS**

General discussion, **4:1- 4:543**  
 Abatement, generally, **4:418- 4:421**  
 Acceptance of benefits, estoppel from, **4:529**  
 Addiction as ground for contest, **4:513**  
 Ademption, **4:422- 4:427**  
 Administrative provisions  
     general discussion, **4:317- 4:338**  
     death taxes, **4:325**  
     debts and expenses, payment of, **4:322- 4:326**  
     management powers, **4:318- 4:321**  
     modification by terms of instrument, **4:326**  
     purpose, **4:317- 4:321**  
     self-dealing, **4:321**  
     taxes. See Death taxes, below  
 Adopted children, **4:123, 4:390- 4:393**  
 Advancements, **4:412- 4:417**  
 After-born or pretermitted children  
     general discussion, **4:384- 4:394**  
     adopted children, **4:390- 4:393**  
     definitions of terms used in wills, **4:120, 4:121, 4:122**  
     illegitimate children, **4:393**  
     non-probate provisions for after-born child, effect of, **4:389**  
     no provision for child in will, **4:385- 4:387**  
     one or more children, provision for, **4:388**  
     posthumous children, **4:394**  
 Age requirements  
     execution requirements, **4:31**  
     testamentary capacity, **4:88**  
 Alcoholism as ground for contest, **4:513**  
 Allowance in lieu of property, **4:357**  
 Alteration. See Modification or change, below  
 Alternate or successor executors, **4:155- 4:158**  
 Alternate or successor trustees, **4:201- 4:204**  
 Ambiguous words, **4:372- 4:374**

**WILLS—Cont'd**

Anatomical gifts, **4:310**  
 Ancillary trustees, **4:199**  
 Animals, **4:237**  
 Antenuptial agreements, conditional wills pursuant to, **4:352**  
 Anti-lapse rule, **4:128, 4:129, 4:406**  
 Appeal of will contests, **4:530- 4:534**  
 Applicable law, **4:364**  
 Appreciation or depreciation, pecuniary formula clause, **4:293**  
 Assignees, standing to bring will contest, **4:491**  
 Attachment of affidavit of testator to self-proved will, **4:29**  
 Attestation  
     general discussion, **4:45- 4:73**  
     attestation clause, generally, **4:64, 4:132- 4:134**  
     beneficiary as subscribing witness, **4:60**  
     conscious presence, **4:69**  
     credibility of subscribing witnesses, **4:59, 4:62**  
     direction of testator, signed at, **4:53**  
     executor as subscribing witness, **4:61**  
     form of self-proving affidavit, **4:72**  
     interlineations, **4:49**  
     location of witness' signatures, **4:63**  
     mark of testator, **4:52**  
     number of witnesses, **4:58**  
     order of signing, **4:66- 4:69**  
     overview, **4:17**  
     publication, **4:65**  
     rubber stamp, signature by, **4:54**  
     sample attestation clause, **4:133**  
     self-proving affidavit, **4:56, 4:70- 4:73**  
     signature, **4:50- 4:56, 4:71**  
     statutory requirements generally, **4:45- 4:65**  
     typewritten signature, **4:55**  
     witness requirement, generally, **4:57- 4:64**  
     writing requirement, **4:47- 4:49**

## INDEX

### **WILLS—Cont'd**

Attorney  
bequests to, **4:5, 4:8, 4:407- 4:411**  
ethical considerations, below, **4:8**  
safekeeping of will, **4:482**  
trustee of testamentary trust,  
    attorney as, **4:192**  
Basic will provisions, generally,  
    **4:99- 4:228**  
Beneficiary  
    death of. See Beneficiary, death of,  
        below  
    identification. See Identification of  
        beneficiary, below  
    removal of trustee by, **4:211**  
    subscribing witness, beneficiary as,  
        **4:60**  
    trustee. See Trustees, below  
Beneficiary, death of  
    general discussion, **4:395- 4:406**  
    anti-lapse statutes, **4:405, 4:406**  
    class gifts, **4:399**  
    descendant of testator's parent,  
        **4:397, 4:398**  
    execution of will  
        death following, **4:400- 4:404**  
        death prior to, **4:396- 4:399**  
    terms of will, survival period  
        under, **4:404**  
Bequests, devises, and legacies  
    general discussion, **4:257- 4:286**  
    cash dividends, **4:271**  
    categories of, **4:259**  
    definitions, pecuniary legacies,  
        **4:274, 4:275**  
    demonstrative bequests, **4:281**  
    dividends, **4:271**  
    ejusdem generis, rule of, **4:260**  
    insurance and debts on real prop-  
        erty, **4:267**  
    interest on pecuniary legacies,  
        **4:278**  
    meaning of, **4:258**  
    pecuniary legacies, generally,  
        **4:273- 4:278**  
    personal property located on real  
        property, **4:268**  
    real property, specific devise of,  
        **4:263- 4:268**

### **WILLS—Cont'd**

Bequests, devises, and legacies  
    —Cont'd  
        residence, specific devise of, **4:266**  
        residuary estate, **4:280, 4:282-**  
            **4:286**  
    sales of securities prior to death,  
        **4:272**  
    securities, specific devise of,  
        **4:269- 4:272**  
    specific bequests or devises, gener-  
        ally, **4:261- 4:280**  
    tax effect, **4:279, 4:286**  
    Texas Estates Code, **4:270**  
    unsevered mineral estate, **4:265**  
Bond or undertaking  
    executor, **4:165- 4:168**  
    guardian of minor children, **4:228**  
    trustee, **4:205- 4:209**  
Burden of proof. See Presumptions  
    and burden of proof, below  
Cash dividends, **4:271**  
Challenges to validity of wills. See  
    Contests, above  
Change. See Modification or change,  
    below  
Charitable beneficiaries, **4:231**  
Children  
    after-born children. See After-born  
        or pretermitted children,  
        above  
    beneficiary, identification of, **4:233**  
    contests, statutes of limitations,  
        **4:505**  
    definitions of terms used in wills,  
        below  
    guardian. See Guardian of minor  
        children, below  
    illegitimate children, **4:119, 4:393**  
    names, identification of children,  
        **4:111**  
Class and class gifts, **4:238- 4:243,**  
    **4:399**  
Codicils, **4:14, 4:449, 4:458**  
Coexecutors, **4:154**  
Common law definition of will, **4:12**  
Common usage, construction and  
    interpretation, **4:378**

**WILLS—Cont'd**

Compensation  
 executor, **4:169- 4:173**  
 trustee, **4:214**  
 Competency, ethical considerations, **4:2**  
 Conditional bequest, **4:251- 4:253**  
 Conditional wills, **4:351, 4:352, 4:438**  
 Conflict of interest, **4:3- 4:6, 4:151**  
 Conscious presence at attestation, **4:69**  
 Consequences of construction, **4:368**  
 Construction and interpretation  
     general discussion, **4:363- 4:380**  
     aids to construction, **4:375- 4:377**  
     ambiguous words, **4:372- 4:374**  
     applicable law, **4:364**  
     common usage, **4:378**  
     consequences of construction, **4:368**  
     court construction, **4:379**  
     declaratory judgment, **4:380**  
     extrinsic evidence, **4:377**  
     first taker favored in law, **4:369**  
     intent of testator, **4:370**  
     language of instrument, adherence to, **4:367**  
     mandatory versus precatory words, **4:371**  
     presumptions, **4:376**  
     rules and canons of construction, **4:365- 4:374**  
     testamentary intent, **4:366**  
 Contests  
     general discussion, **4:484- 4:534**  
     acceptance of benefits, estoppel from, **4:529**  
     addiction as ground for contest, **4:513**  
     alcoholism as ground for contest, **4:513**  
     appeal, **4:530- 4:534**  
     assignees, standing to bring contest, **4:491**  
     creditors, standing to bring contest, **4:489**  
     defenses to limitations, **4:527**

**WILLS—Cont'd**

Contests—Cont'd  
 defenses to will contest, generally, **4:523- 4:529**  
 determination of contest, effect of, **4:534**  
 disability, removal of, **4:526**  
 drug use as ground for contest, **4:513**  
 due execution lack as ground for contest, **4:516**  
 estoppel, defense of, **4:528, 4:529**  
 evidence of undue influence as ground for contest, **4:518- 4:520**  
 execution lack as ground for contest, **4:516**  
 executors as parties, **4:488- 4:492, 4:496**  
 filing requirements, **4:500**  
 fraud, **4:504, 4:521, 4:525**  
 grantee of deed, standing to bring contest, **4:492**  
 grounds for contest, generally, **4:506- 4:522**  
 heirs, standing to bring contest, **4:487**  
 insane delusion as ground for contest, **4:515**  
 interested persons, **4:486, 4:487**  
 joint wills beneficiaries as necessary parties to will contest, **4:499**  
 lack of testamentary capacity as ground for contest, **4:510- 4:516**  
 legatees, standing to bring contest, **4:487**  
 limitation of actions, defense of, **4:501- 4:505, 4:524- 4:527**  
 minors, statutes of limitations, **4:505**  
 mistake as ground for contest, **4:522**  
 necessary parties to will contest, **4:494- 4:499**  
 pecuniary interest parties as necessary parties to will contest, **4:495**

## INDEX

### **WILLS—Cont'd**

Contests—Cont'd  
personal representative, effect of appeal on appointment of, **4:532**  
presumption of validity of will, **4:533**  
prior adjudication of incapacity as ground for contest, **4:516**  
relatives, standing to bring contest, **4:487**  
revocation as ground for contest, **4:507- 4:509**  
standing to appeal, **4:531**  
standing to bring contest, generally, **4:485- 4:493**  
statute of limitations, **4:501- 4:505, 4:524- 4:527**  
temporary administrators as necessary parties to will contest, **4:498**  
tolling of limitations, **4:527**  
trustees as necessary parties to will contest, **4:497**  
undue influence as ground for contest, **4:517- 4:520**  
what constitutes will contest, **4:484**  
Contingency fees of executor, **4:179**  
Contingent trust trustees as beneficiaries, **4:234**  
Continuation of former administration by alternate or successor executors, **4:157**  
Contracts and agreements  
ademption of property under contract, **4:427**  
antenuptial agreements, conditional wills pursuant to, **4:352**  
testamentary capacity, contractual capacity compared, **4:95**  
testamentary disposition, contract to make, **4:436, 4:437**  
wills, contractual agreements affecting, generally, **4:19- 4:26**  
Convicted felon as executor, **4:147**  
Corporations  
executor, **4:143, 4:149**

**WILLS—Cont'd**  
Corporations—Cont'd  
identification of beneficiary, **4:235**  
County clerk. See Safekeeping of will, below  
Court construction of will, **4:379**  
Credibility of subscribing witnesses, **4:59, 4:62**  
Creditors, standing to bring will contest, **4:489**  
Credit shelter bypass trust and QTIP residuary trust, form of will with, **4:541**  
Cy-pres doctrine, **4:361**  
Date. See Time or date, below  
Death taxes  
general discussion, **4:327- 4:338**  
administrative provisions, **4:325**  
apportionment of, **4:327- 4:338**  
exception to bequests to spouses and children, **4:337**  
IRC Section 2206, **4:330**  
IRC Section 2207, **4:331**  
IRC Section 2603(b), **4:333**  
IRC Section 2207A, **4:332**  
mortgage of probate assets to pay for, **4:338**  
pro rata share, **4:336**  
statute, apportionment pursuant to, **4:335- 4:337**  
Texas Estates Code Section 322A, **4:329**  
Debts and expenses, payment of, **4:322- 4:326**  
Declaration  
exordium clause, **4:105**  
revocation, right of, **4:448- 4:450**  
Declaratory judgment, construction and interpretation, **4:380**  
Default rule, marital deduction formula, **4:305**  
Defenses  
contests, defenses to, **4:523- 4:529**  
executor, defense of will by, **4:176**  
Definitions  
adopted issue, **4:123**  
after-born issue, **4:120, 4:121, 4:122**  
anti-lapse rule, **4:128, 4:129**

**WILLS—Cont'd**

Definitions—Cont'd  
 children. See Issue and children, below in this group  
 "contents," **4:44**  
 destruction, **4:454**  
 heirs, **4:131**  
 household effects, **4:130**  
 illegitimate issue, **4:119**  
 issue and children  
     general discussion, **4:114- 4:123**  
     adopted issue, **4:123**  
     after-born issue, **4:120, 4:121, 4:122**  
     all children, inclusion of, **4:117**  
     degree, **4:116**  
     illegitimate issue, **4:119**  
     limitations, **4:118**  
     scope of "children," **4:115**  
     lapse, effect of, **4:127**  
     pecuniary legacies, **4:274, 4:275**  
     personal and household effects, **4:130**  
     prior death of beneficiary, **4:126- 4:129**  
     sound mind, **4:90**  
     survival period, **4:124, 4:125**  
     terms used in wills, generally, **4:113- 4:131**  
     will, generally, **4:11- 4:14**  
 Delegation of powers by executor, **4:183**  
 Delivery of will for safekeeping, **4:480, 4:481**  
 Demonstrative bequests, **4:281**  
 Dependent relative revocation, **4:470**  
 Dependent representative, powers of, **4:180, 4:181, 4:182**  
 Descendant of testator's parent, death of beneficiary, **4:397, 4:398**  
 Destruction. See Lost or destroyed wills, below  
 Determination of contest, effect of, **4:534**  
 Devises. See Bequests, devises, and legacies, above  
 Direction of testator, signed at, **4:53**  
 Disability, removal of, **4:526**  
 Disclaimer will, form of, **4:539**

**WILLS—Cont'd**

Disposition of remains, form of appointment of agent to control, **4:538**  
 Dispositive planning  
     general discussion, **10:56-10:67**  
     for detailed treatment see index heading DISPOSITIVE PLANNING  
 Dispositive provisions  
     general discussion, **4:229- 4:316**  
     anatomical gifts, **4:310**  
     bequests. See Bequests, devises, and legacies, above  
     conditional bequest, **4:251**  
     devises. See Bequests, devises, and legacies, above  
     fee simple, **4:245- 4:247**  
     forfeiture clauses, **4:311- 4:316**  
     generation-skipping transfer tax considerations, **4:250**  
     identification of beneficiary. See Identification of beneficiary, below  
     legacies. See Bequests, devises, and legacies, above  
     life estates, **4:254**  
     marital deduction formula. See Marital deduction formula, selection of, below  
     presumption of fee simple, **4:246**  
     public policy on forfeiture clauses, **4:313**  
     QTIP trusts, **4:249**  
     remainder interests, **4:255**  
     restraints on alienation, **4:256**  
     Shelley's Case, abolition of rule in, **4:247**  
     trusts, generally, **4:248- 4:250**  
     types of interests which may be gifted, **4:244- 4:255**  
 Distribution date, pecuniary formula clause, **4:290- 4:295**  
 Dividends, **4:271**  
 Divorce, effect of, **4:381- 4:383**  
 Domicile of testator, identity of, **4:103**  
 Drafting attorney. See Attorney, above  
 Drug use as ground for contest, **4:513**

## INDEX

### **WILLS—Cont'd**

Due execution lack as ground for contest, **4:516**  
Duplicate wills, **4:471, 4:472**  
Eiusdem generis, rule of, **4:260**  
Election by widow, **4:353, 4:354**  
Estoppel. See Waiver and estoppel, below  
Ethical considerations  
    general discussion, **4:1- 4:10**  
    for detailed treatment see index heading WILLS  
    bequests to attorney, **4:8**  
    competency, **4:2**  
    conflicts of interest, **4:3- 4:6**  
    joint representation, conflicts of interest, **4:4**  
    privity, **4:10**  
    source of payment, conflict of interest, **4:6**  
    statutory considerations, **4:7- 4:9**  
Texas Rules of Professional Conduct, **4:1- 4:6**  
    witnesses, bequests to, **4:9**  
Evidence  
    extrinsic evidence. See Extrinsic evidence, below  
    presumptions. See Presumptions and burden of proof, below  
    undue influence, evidence of, **4:518- 4:520**  
Excess compensation, requests by executor for, **4:173**  
Exclusive nature of statutory provisions for revocation, **4:430, 4:431**  
Execution requirements  
    general discussion, **4:45- 4:98**  
    age requirements, **4:31**  
    attestation. See Attestation, above  
    beneficiary. See Beneficiary, death of, above  
    contest of will, lack of execution as ground for, **4:516**  
    extrinsic evidence to show intent of testator, **4:86**  
    future intent of testator, **4:85**  
    holographic will. See Holographic will, below

### **WILLS—Cont'd**

Execution requirements—Cont'd  
    incarcerated persons, **4:36**  
    intent of testator, **4:83- 4:86**  
    mental condition, **4:32**  
    nuncupative. See Nuncupative or oral will, below  
    oral will. See Nuncupative or oral will, below  
    presumption of proper execution of self-proved wills, **4:28**  
    testamentary capacity. See Testamentary capacity, below  
    undue influence, **4:33- 4:35**  
    who may execute will, **4:30- 4:36**  
Executor  
    general discussion, **4:137- 4:186**  
    alternate or successor executors, **4:155- 4:158**  
    applicable law, **4:138- 4:140**  
    authorized powers in will, **4:177- 4:179**  
    bond or undertaking, **4:165- 4:168**  
    coexecutors, **4:154**  
    compensation, **4:169- 4:173**  
    conflict of interest, waiver of, **4:151**  
    contest of will, **4:488- 4:492, 4:496**  
    contingency fees, **4:179**  
    continuation of former administration by alternate or successor executors, **4:157**  
    convicted felons, **4:147**  
    corporations, **4:143, 4:149**  
    defense of will by, **4:176**  
    delegation of powers, **4:183**  
    dependent representative, powers of, **4:180, 4:181, 4:182**  
    disclaimers, **15:83**  
    dispositive planning, **10:67**  
    excess compensation, requests for, **4:173**  
    failure to exercise care, **4:140**  
    felons, **4:147**  
    incapacitated persons, **4:146**  
    independent versus dependent administration, generally, **4:159- 4:164**

**WILLS—Cont'd**

Executor—Cont'd  
 necessary parties to will contest,  
**4:496**  
 nonresidents, **4:148**  
 number of persons who can serve,  
**4:152- 4:154**  
 persons entitled to appointment,  
**4:141- 4:144**  
 possession of estate property,  
**4:175**  
 powers of executor, generally,  
**4:174- 4:186**  
 presumption regarding independent versus dependent administration, **4:163**  
 qualification requirement, **4:145- 4:151**  
 real property, sales of, **4:178**  
 sales of real property, **4:178**  
 self-dealing, restrictions on, **4:184- 4:186**  
 sole executor, **4:153**  
 standard of care, **4:139**  
 standing to bring contest of will proceeding, **4:488- 4:492**  
 statutory compensation, **4:172**  
 subscribing witness, executor as,  
**4:61**  
 waiver  
     bond or undertaking, **4:166, 4:167**  
     conflict of interest, **4:151**  
     will, compensation set by, **4:170**  
 Exemption right, **4:355- 4:357**  
 Exordium clause  
     general discussion, **4:101- 4:107**  
     declaration, **4:105**  
     domicile of testator, identity of,  
**4:103**  
     property to be disposed, identity of,  
**4:104**  
     publication, **4:105**  
     revocation of prior wills, **4:106**  
     sample language, **4:107**  
     testator, identity of, **4:102**  
 Extinction, ademption by, **4:424**

**WILLS—Cont'd**

Extrinsic evidence  
 construction and interpretation,  
**4:377**  
 incorporation by reference, extrinsic document requirement, **4:344- 4:347**  
 intent of testator, **4:86**  
 Fair market value, marital deduction formula, **4:307, 4:308**  
 Family and relatives  
     attorney and testator, relationship between, **4:410, 4:411**  
     family allowance, **4:358**  
     identification of family, **4:109- 4:112**  
     standing to bring will contest,  
**4:487**  
 Fees for safekeeping of will, **4:478**  
 Fee simple, dispositive provisions,  
**4:245- 4:247**  
 Felon, executor as, **4:147**  
 Fiduciary appointments  
     general discussion, **4:136- 4:228**  
     divorce, effect of, **4:382**  
     executor. See Executor, above  
     guardian. See Guardian for minor children, below  
     trustee. See Trustee, below  
 Filing requirements for will contests,  
**4:500**  
 First taker favored in law, **4:369**  
 Forfeiture clauses, **4:311- 4:316**  
 Fractional share formula, marital deduction formula, **4:288**  
 Fraud, **4:504, 4:521, 4:525**  
 Funeral clause, **4:108**  
 Future intent of testator, **4:85**  
 Generation-skipping transfer tax considerations, **4:250**  
 Grantee of deed, standing to bring will contest, **4:492**  
 Guardian of minor children  
     general discussion, **4:223- 4:228**  
     bond or undertaking, **4:228**  
     effect of designation, **4:227**  
     last surviving parent, appointment by, **4:225**

## INDEX

### **WILLS—Cont'd**

Guardian of minor children—Cont'd  
surviving parent as natural guardian, **4:224**  
who can serve, **4:226**  
Heirs  
definitions of terms used in wills, **4:131**  
standing to bring will contest, **4:487**  
Holographic wills  
general discussion, **4:74- 4:82**  
date, **4:79**  
initials versus signature, **4:77**  
interlineations, **4:81**  
location of signature, **4:78**  
overview, **4:18**  
self-proving affidavit, form, **4:537**  
self-proving affidavit, form of, **4:82**  
signature of testator, **4:76- 4:78**  
statutory requirements, **4:75- 4:81**  
witnesses, **4:80**  
Homestead, **4:41, 4:355- 4:357**  
Hospitalized testator, testamentary capacity, **4:98**  
Household effects, definitions of terms used in wills, **4:130**  
Identification of beneficiary  
general discussion, **4:229- 4:243**  
animals, **4:237**  
charitable beneficiaries, **4:231**  
children's trustees as beneficiaries, **4:233**  
class, beneficiaries defined as, **4:238- 4:243**  
contingent trust trustees as beneficiaries, **4:234**  
corporate entities, **4:235**  
individual beneficiaries, **4:230**  
per stirpes versus per capita, **4:240- 4:243**  
presumption regarding per stirpes versus per capita, **4:243**  
state agencies, **4:236**  
trustees as beneficiaries, **4:232- 4:234**

### **WILLS—Cont'd**

Identification of document, incorporation by reference, **4:342**  
Identification of family, **4:109- 4:112**  
Illegitimate children, **4:119, 4:393**  
Implied revocation, **4:450- 4:453**  
Incapacitated persons as executors, **4:146**  
Incarcerated persons, execution requirements, **4:36**  
Income taxation of trusts and estates, **7:91, 7:98**  
Incorporation by reference  
general discussion, **4:339- 4:348**  
burden of proof, **4:348**  
extrinsic document requirement, **4:344- 4:347**  
identification of document, **4:342**  
intent to incorporate, **4:343**  
will requirements, **4:341- 4:343**  
Independent significance, facts of, **4:350**  
Independent versus dependent administration, generally, **4:159- 4:164**  
Index of deposited wills, **4:476**  
Initials versus signature, holographic wills, **4:77**  
Insane delusion as ground for contest, **4:514**  
Insane delusions, **4:94, 4:515**  
Insurance and debts on real property, **4:267**  
Integration, **4:349**  
Intent  
advancement, evidence of intent of, **4:415- 4:417**  
construction and interpretation of intent of testator, **4:370**  
execution requirements, intent of testator, **4:83- 4:86**  
incorporation by reference, **4:343**  
Interest on pecuniary legacies, **4:278**  
Interests that may pass under will, **4:37- 4:44**  
Interlineations, **4:49, 4:81**  
Interpretation. Construction and interpretation, above

**WILLS—Cont'd**

Introductory provisions, generally, **4:100- 4:112**  
 IRD problem, Revenue Ruling 64-19 funding, **4:304**  
 Issue. See Children, above  
 Joint representation, conflicts of interest, **4:4**  
 Joint wills, **4:437, 4:499**  
 Lack of testamentary capacity as ground for will contest, **4:510- 4:516**  
 Language of instrument, adherence to, **4:367**  
 Lapse, effect of, **4:127**  
 Lead bequest, selecting of, **4:306- 4:308**  
 Legacies. See Bequests, devises, and legacies, above  
 Legatees, standing to bring contest, **4:487**  
 Life estates, **4:254**  
 Life insurance, interests that may pass under will, **4:40**  
 Limitations imposed on powers of trustees, **4:218**  
 Limitations of time contests, **4:501- 4:505, 4:524- 4:527**  
 Location of signature attestation, **4:63**  
 holographic wills, **4:78**  
 Lost or destroyed wills general discussion, **4:456**  
 definition of destruction, **4:454**  
 proof of revocation by, **4:453**  
 Lucid intervals, testamentary capacity affected by, **4:91**  
 Management powers, administrative provisions, **4:318- 4:321**  
 Mandatory versus precatory words, **4:371**  
 Marital deduction formula, selection of general discussion, **4:287- 4:309**  
 appreciation or depreciation, pecuniary formula clause, **4:293**

**WILLS—Cont'd**

Marital deduction formula, selection of—Cont'd  
 conflicts among beneficiaries, pecuniary minimum worth marital gift, **4:300**  
 default rule, **4:305**  
 distribution date, pecuniary formula clause, **4:290- 4:295**  
 fairly representative funding, **4:301- 4:304**  
 fair market value, **4:307, 4:308**  
 flexibility factors, **4:292, 4:297**  
 fractional share formula, **4:288**  
 gain on funding, **4:294, 4:298**  
 income in respect of decedent problems, pecuniary formula clause, **4:295**  
 IRD problem, Revenue Ruling 64-19 funding, **4:304**  
 lead bequest, selecting of, **4:306- 4:308**  
 over-funding possibility, pecuniary minimum worth marital gift, **4:299**  
 pecuniary formula clause, generally, **4:289- 4:305**  
 pecuniary minimum worth marital gift, **4:296- 4:300**  
 revaluation, Revenue Ruling 64-19 funding, **4:303**  
 Revenue Ruling 64-19 funding, **4:301- 4:304**  
 selecting form of bequest, **4:309**  
 Mark of testator, attestation, **4:52**  
 Mental condition execution requirements, **4:32**  
 testamentary capacity, **4:97**  
 Minors. See Children, above  
 Mistake contest, mistake as ground for, **4:522**  
 destruction of will, mistaken belief as to, **4:456**  
 Modification or change revocation for alteration, **4:455**  
 terms of instrument, modification by, **4:326**

## INDEX

### **WILLS—Cont'd**

Mortgage of probate assets to pay for death taxes, **4:338**  
Multiple revoking documents, **4:435**  
Names  
    children, identification of, **4:111**  
    spouse, identification of, **4:110**  
Necessary parties to will contest, **4:494- 4:499**  
Nonresidents as executors, **4:148**  
Number and numbering  
    attestation, number of witnesses to, **4:58**  
    executor, number of persons who can serve as, **4:152- 4:154**  
    trustee, number of persons who can serve as, **4:194- 4:198**  
Obliteration, revocation of will, **4:455**  
Oral will. See Nuncupative or oral will, above  
Order of signing, attestation, **4:66- 4:69**  
Outright marital and residuary credit shelter bypass trust, form of will with, **4:543**  
Pecuniary formula clause. See Marital deduction formula, selection of, above  
Pecuniary interest parties as necessary parties to will contest, **4:495**  
Pecuniary legacies, generally, **4:273- 4:278**  
Perpetual charitable public trust, **4:362**  
Personal and household effects, **4:130**  
Personal property, legacy of, **4:43**  
Personal property located on real property, **4:268**  
Per stirpes versus per capita, **4:240- 4:243**  
Physical act, revocation by, **4:446, 4:447**  
Possession of estate property by executor, **4:175**  
Posthumous children. See After-born or pretermitted children, above

### **WILLS—Cont'd**

Presumptions and burden of proof ademption, presumption against, **4:426**  
construction and interpretation, **4:376**  
fee simple, **4:246**  
incorporation by reference, **4:348**  
independent versus dependent administration, presumption regarding, **4:163**  
per stirpes versus per capita, presumption regarding, **4:243**  
revocation, presumption of, **4:434, 4:459- 4:466**  
self-proved wills, presumption of proper execution of, **4:28**  
validity of will, presumption of, **4:533**  
Pretermitted children. See After-born or pretermitted children, above  
Prior adjudication of incapacity, effect of, **4:92, 4:516**  
Prior death of beneficiary, **4:126- 4:129**  
Privity, ethical considerations, **4:10**  
Pro rata share of death taxes, **4:336**  
Publication  
    attestation, **4:65**  
    exordium clause, **4:105**  
Public policy on no contest clauses, **4:313**  
QTIP lead trust and residuary credit shelter bypass trust, form of will with, **4:542**  
QTIP trusts, **4:249**  
Qualification requirement for executor, **4:145- 4:151**  
Questions of law and fact as to revocation, **4:439**  
Real property  
    sales of, **4:178**  
    specific devise of, **4:263- 4:268**  
Rebuttal of presumption of revocation, **4:463- 4:466**  
Relatives. See Family and relatives, above  
Remainder interests, **4:255**

**WILLS—Cont'd**

Remains, form of appointment of agent to control disposition of, **4:538**  
 Remarriage after divorce, **4:383**  
 Removal of trustee, provisions for, **4:210- 4:213**  
 Republication by subsequent instrument, **4:469**  
 Requirements of a will, generally, **4:11- 4:44**  
 Reservation of right to revoke, **4:431**  
 Residence, specific devise of, **4:266**  
 Residuary estate, **4:280, 4:282- 4:286**  
 Resignation of trustee, **4:200**  
 Restraints on alienation, **4:256**  
 Retirement plans and planning, form of revocable plan benefits trust, **8:276**  
 Revaluation, Revenue Ruling 64-19 funding, **4:303**  
 Revenue Ruling 64-19 funding, **4:301- 4:304**  
 Revival of revoked will, **4:467- 4:469**  
 Revocation, right of  
     general discussion, **4:428- 4:483**  
     alteration, **4:455**  
     burden of proof, **4:460- 4:462**  
     codicil, **4:449, 4:458**  
     conditional mutual wills, **4:438**  
     contest of will, revocation as ground for, **4:507- 4:509**  
     contractual wills, **4:26, 4:436, 4:437**  
     declaration in writing, **4:448- 4:450**  
     dependent relative revocation, **4:470**  
     destruction, **4:454, 4:456**  
     duplicate wills, **4:471, 4:472**  
     effect of revocation, **4:432**  
     exclusive nature of statutory provisions, **4:430, 4:431**  
     exordium clause, revocation of prior wills, **4:106**  
     formalities, **4:442- 4:445**  
     how issue is raised, **4:433**  
     implied revocation, **4:450- 4:453**

**WILLS—Cont'd**

Revocation, right of—Cont'd  
     joint and mutual wills, **4:437**  
     lost will, proof of revocation by, **4:453**  
     mistaken belief in destruction, **4:456**  
     multiple revoking documents, **4:435**  
     obliteration, **4:455**  
     physical act, **4:446, 4:447**  
     presumed revocation, **4:459- 4:466**  
     presumptions, **4:434**  
     questions of law and fact, **4:439**  
     rebuttal of presumption of revocation, **4:463- 4:466**  
     republication by subsequent instrument, **4:469**  
     reservation of right to revoke, **4:431**  
     revival of revoked will, **4:467- 4:469**  
     safekeeping of will, below  
     statutory requirements, **4:430, 4:431**  
     subsequent writing or will, **4:440, 4:449**  
     testamentary capacity, **4:445**  
     time during which will may be revoked, **4:429**  
     void will, **4:444**  
     ways to revoke, **4:440, 4:441**  
 Rubber stamp, signature by, **4:54**  
 Rule against perpetuities, **4:359- 4:362**  
 Safe deposit box, **4:483**  
 Safekeeping of will  
     general discussion, **4:473- 4:481**  
     attorney, leaving with, **4:482**  
     county clerk, deposit with, generally, **4:473- 4:481**  
     death of testator, procedure on, **4:480, 4:481**  
     delivery, **4:480, 4:481**  
     drafting attorney, leaving with, **4:482**  
     effect of deposit of will, **4:474**  
     fees, **4:478**  
     index of deposited wills, **4:476**

## INDEX

### **WILLS—Cont'd**

Safekeeping of will—Cont'd  
procedure to deposit, **4:477, 4:478**  
safe deposit box, **4:483**  
sealed wrapper, **4:477**  
withdrawal of will, procedure for,  
**4:479**

Sale or transfer of property  
executor, sales of real property by,  
**4:178**  
securities prior to death, sales of,  
**4:272**

Satisfaction, ademption by, **4:425**

Sealed wrapper, safekeeping of will,  
**4:477**

Securities, specific devise of, **4:269- 4:272**

Self-dealing  
administrative provisions, **4:321**  
executor, **4:184- 4:186**  
trustee, **4:219- 4:221**

Self-proving affidavit  
general discussion, **4:135**  
attachment of affidavit by testator  
and witnesses, **4:29**  
effect of, **4:73**  
execution requirements, **4:70- 4:73**  
forms of, **4:72, 4:535, 4:536,**  
**4:537**  
holographic wills, **4:82**  
overview, **4:27- 4:29**  
presumption, **4:28**  
signature on, **4:56, 4:71**

Shelley's Case, abolition of rule in,  
**4:247**

Signature  
attestation, generally, **4:50- 4:56**  
holographic wills, **4:76- 4:78**  
self-proving affidavit, **4:56, 4:71**

Simple will, no tax planning, form of,  
**4:540**

Sole executor, **4:153**

Sound mind requirement for  
testamentary capacity, **4:89- 4:93**

Specific bequests or devises. See  
Bequests, devises, and legacies,  
above

### **WILLS—Cont'd**

Standing for will contest proceedings,  
**4:485- 4:493, 4:531**

State agencies, identification of beneficiary, **4:236**

Statute of limitations. See Limitations of time, above

Statutes and statutory provisions  
abatement, statutory order of,  
**4:420, 4:421**  
advancements, statutory requirements for, **4:413, 4:414**  
bond or undertaking, statutory requirements for, **4:206**  
death taxes, apportionment of,  
**4:335- 4:337**  
definition of will, **4:13**  
ethical considerations, **4:7- 4:9**  
executor, statutory compensation of, **4:172**  
holographic wills, **4:75- 4:81**  
homestead and exemption right,  
**4:355- 4:357**  
revocation, right of, **4:430, 4:431**  
trustee, statutory powers of, **4:216**

Subsequent adjudication of incapacity, effect of, **4:93**

Subsequent events affecting will provisions, generally, **4:381- 4:427**

Subsequent writing or will, **4:440,**  
**4:449**

Survival period, definition of, **4:124,**  
**4:125**

Surviving parent as natural guardian,  
**4:224**

Surviving spouse as trustee, **4:191**

Tax effect of bequests, devises, and legacies, **4:279, 4:286**

Temporary administrators as necessary parties to will contest,  
**4:498**

Testamentary capacity  
general discussion, **1:73-1:75,**  
**4:87- 4:98**  
age requirement, **4:88**  
construction and interpretation,  
**4:366**  
contest of will, lack of  
testamentary capacity as

**WILLS—Cont'd**

Testamentary capacity—Cont'd  
 ground for, **4:510- 4:516**  
 contractual capacity compared,  
**4:95**  
 definition of sound mind, **4:90**  
 executions involving possible  
 incapacity, **4:96- 4:98**  
 hospitalized testator, **4:98**  
 information gathering and counsel-  
 ing of client, **3:18**  
 insane delusion, **4:94**  
 lucid intervals, **4:91**  
 mental disability of testator, **4:97**  
 prior adjudication of incapacity,  
 effect of, **4:92**  
 revocation, right of, **4:445**  
 sound mind requirement, **4:89-  
 4:93**  
 subsequent adjudication of  
 incapacity, effect of, **4:93**  
 Testamentary trusts. See Trustees,  
 below  
 Texas Rules of Professional Conduct,  
**4:1- 4:6**  
 Time or date  
     holographic wills, **4:79**  
     revocation, right of, **4:429**  
 Tolling of limitations in will contests,  
**4:527**  
 Trustees  
     general discussion, **4:187- 4:222**  
     for detailed treatment see index  
         heading **WILLS**  
     ancillary trustees, **4:199**  
     attorney as trustee, **4:192**  
     beneficiary  
         removal of trustee by, **4:211**  
         as trustee, **4:193**  
     bond or undertaking, **4:205- 4:209**  
     compensation, **4:214**  
     cotrustees, **4:196**  
     delegation of duties, **4:197**  
     deposit of bond or undertaking,  
**4:208**  
     identification of beneficiary, **4:232-  
 4:234**  
     implied powers of trustees, **4:217**

**WILLS—Cont'd**

Trustees—Cont'd  
 limitations imposed on powers of  
 trustees, **4:218**  
 necessary parties to will contest,  
**4:497**  
 number of persons who can serve,  
**4:194- 4:198**  
 powers of trustees, **4:215- 4:218**  
 removal of trustee, provisions for,  
**4:210- 4:213**  
 resignation, **4:200**  
 self-dealing, restrictions on, **4:219-  
 4:221**  
 sole trustee, **4:195**  
 statutory powers and duties, **4:189,  
 4:206, 4:216**  
 surviving spouse as trustee, **4:191**  
 who can serve, **4:188- 4:193**  
 Trusts  
     dispositive provisions, generally,  
**4:248- 4:250**  
     trustee. See Trustees, above  
 Types of wills, generally, **4:15- 4:29**  
 Typewritten signature, **4:55**  
 Undue influence  
     execution requirements, **4:33- 4:35**  
     will contests, **4:517- 4:520**  
 Void will, revocation of, **4:444**  
 Waiver and estoppel  
     bond or undertaking  
         executor, **4:166, 4:167**  
         trustee, **4:208**  
     conflict of interest of executor,  
**4:151**  
     contests of will, defense in, **4:528,  
 4:529**  
     executor, above  
     trustee, deposit of bond or  
         undertaking, **4:208**  
 Withdrawal of will, procedure for  
 safekeeping, **4:479**  
 Witnesses  
     attestation. See Attestation, above  
     ethical considerations regarding  
         bequests to, **4:9**  
         holographic wills, **4:80**  
 Writing requirement, attestation,  
**4:47- 4:49**

## INDEX

### **WINDING UP AFFAIRS**

Trustee, **5:386**

### **WITHDRAWAL**

Attorney withdrawal letter, **2:79**  
form of, **2:93**  
Grantor retained annuity trust  
(GRAT), **12:249**  
Trusts for minors, **5:520**  
Wills, **4:479**

### **WITHHOLDING INFORMATION**

Attorney-client relationship, managing of, **2:60**

### **WITNESSES**

Lifetime planning. See index heading  
LIFETIME PLANNING

Wills. See index heading **WILLS**

### **WORTHLESS PROPERTY**

Trusts, **5:208**

### **WRITING REQUIREMENT**

Disclaimers, **15:44-15:46**  
Federal transfer tax system, **6:66**  
Lifetime planning. See index heading  
LIFETIME PLANNING

Trusts. See index heading **TRUSTS**  
Wills, **4:47- 4:49**