MedTech Wealth Advisor Podcast Episode 18: Estate Planning: Beyond the Basics with Jen Santini, J.D.

[00:00:00] **Voiceover:** Welcome to the MedTech Wealth Advisor Podcast, a show dedicated to teaching professionals and entrepreneurs in the MedTech field how to save more money, pay less taxes, and become financially independent. Join certified financial planner professional Matt Nelson as he draws from years of experience and speaks with guest experts to solve the biggest challenge, aligning your money with your values while thriving in the mission-driven world of med tech.

[00:00:32] **Bill Tucker:** Hello and welcome to the MedTech Wealth Advisor podcast with your host Matt Nelson. Matt, this is part two of estate planning and for those of you who have not listened to part one, you can still listen to part two, but I would urge you to go back and listen to some of the things covered in part one as well.

[00:00:50] **Bill Tucker:** 'cause it, it was a terrific conversation. And Matt, I'm looking forward to a continuation. Of, of that conversation, if you will.

[00:00:58] **Matt Nelson:** Yes. I, I really am too, and I'm, I'm glad to have, Jennifer Santini back with us and, keep educating us. I learn something every time I talk to her. So even though I'm doing this all of the time with clients, I mean, mm-Hmm.

[00:01:08] **Matt Nelson:** I'm not an attorney, so. That's why we bring professionals into, to take care of it.

[00:01:13] **Bill Tucker:** No. Well, I, to be honest with you, I learned some things in that last episode as well that I didn't know. So stick around folks. Learn some things. Yes.

[00:01:22] **Matt Nelson:** Yeah. So just as a, as a quick, uh, recap, if you haven't heard the first episode, we, wanted to talk about.

[00:01:28] **Matt Nelson:** Why you even need to be thinking [00:01:30] about estate planning in the first place. You know, it can kinda unravel the, the complication. It's not, it doesn't have to be made so complex of, major wills and trusts and, piles of documents. I mean, there's some just basics to put in place. And we talked about powers of attorney and healthcare directives and just basic beneficiary designations in the, the first episode.

[00:01:51] **Matt Nelson:** But you know what, what that evolves into then. As we'll, we'll, uh, discuss is now we have to look at issues like taxes and what happens if you go to an, uh, a nursing home or you know, why you should have a trust in place. We have a lot of clients with, that are business owners that, uh, you know, have founded a med tech company, other businesses that gets a little bit more complex as well.

[00:02:16] **Matt Nelson:** maybe assets in multiple states. So Jennifer, I'm just kind of unpacking some of that for us, but. today, let's, let's just go kind of beyond the basics, um, yeah. And, discuss what things like complex property might, might, uh, sure. Do to your estate plan when we want to get a trust involved. Mm-Hmm.

[00:02:35] **Matt Nelson:** Um, and, you know, we'll touch on a little bit of taxes and maybe some elder care planning at the end. so where do you wanna start? You want to just, uh, sure.

[00:02:42] **Jen Santini:** we can, you know, maybe just to sort of pick up, you know, where we left off is we were talking about wills and the fact that it is important to have one because.

[00:02:51] **Jen Santini:** In the absence of a will, you're relying on the state to govern what happens with your assets. And so a common misconception that people will [00:03:00] have is if I, you know, I need a will because I need to avoid, probate, for some people, if you're not aware of probate, is the court process. It's having to go through the court process to get somebody appointed as the executor, or again, in Minnesota we refer to it as a personal representative.

[00:03:16] **Jen Santini:** And so your will means that you get to be empowered to make those decisions versus relying on what the, the state says. We are fortunate here in Minnesota that probate's really not that bad. But there are other states where probate is not fun to go through. And again, I mentioned in the last episode, you know, California just happens to be one of those states.

[00:03:36] **Jen Santini:** And so that's where you will start to see people consider utilizing other tools. And it may not even just be because of the state or because of going through the probate process, but there may be various. Other reasons to do with what we refer to as a living revocable trust. And so a living revocable trust, we refer to it as a will substitute so that you know, that really becomes your primary at death.

[00:04:01] **Jen Santini:** estate planning document, although the difference is that a living revocable trust does also provide some incapacity planning. Interesting. Um, you know, we had talked about the power of attorney in the first episode, but with a trust. You have assets in that trust and think of I always, which I have right here, a vessel, a mug, or you know, an entity where you're putting certain assets into that trust so that you don't really own them anymore.

[00:04:28] **Jen Santini:** They're titled in the [00:04:30] name of the trust. And if you became incapacitated, you will have named somebody to help oversee those assets still while you're living. But again, if you can't manage those assets,

[00:04:40] **Matt Nelson:** sure. So can a, so a trust then could, could become the owner of. Just about anything you own, including businesses even.

[00:04:48] **Jen Santini:** Yes. Yep. So for some business owners, like you had mentioned, they, you know, if they're the sole shareholder or they're, you know, the sole LLC member, they may assign or transfer their interest to the trust so that the trustee technically is now the owner of those. And they may do that during their lifetime, or they may do that at death.

[00:05:08] **Jen Santini:** They may do what we refer to as a transfer on death designation of their, Closely held corporate shares to say, at my death, I want these shares to get transferred to my trust, and now I've named a trustee to oversee those, those assets for the benefit of my beneficiaries.

[00:05:23] **Matt Nelson:** Okay, so when when is it appropriate to start thinking about trust?

[00:05:28] **Matt Nelson:** You, you mentioned a couple things, but, but why? Why go to that extra work?

[00:05:33] **Jen Santini:** Yeah, and I think that, that's a great question because you know, we do get a lot of clients that will come in and they'll say, I need a trust. And again, you'll talk to different practitioners, they will approach things differently.

[00:05:44] **Jen Santini:** There are some practitioners that use trust all the time. I think there are some practitioners that don't. And we, at our firm, we really try to say, does it make the most sense? And so I sort of have a. Check the box, you know, of, of a few things that really sort of maybe sway me to utilize a [00:06:00] trust versus not.

[00:06:01] **Jen Santini:** and one of the very first pieces is usually do the client's own assets outside of Minnesota. So we just talked about a business being put into a trust, but another main asset that you often see titled in trust is Real Property. So, I think it is important to also take a moment to define what triggers probate.

[00:06:21] **Jen Santini:** and so my definition is that if you have a probate asset, it means it's an asset solely in your name at the time of your death, and there's no mechanism to transfer it. There's nobody that automatically falls into place to take ownership or control. yeah. And so to, to define first. Non probate assets, which a lot of the assets that you are dealing with, Matt, your retirement accounts, your life insurance policy, your brokerage accounts, or again, you guys, do you refer to them as TOD accounts, right?

[00:06:53] **Matt Nelson:** Transfer on death. Exactly.

[00:06:54] **Jen Santini:** Exactly. So at your death, they're already designated, they're already spoken for what's gonna happen to them. For a lot of couples, they'll own a bulk of those types of assets, and then they'll own joint assets. So your joint bank account, your joint brokerage account, and again, assuming the home is jointly owned.

[00:07:14] **Jen Santini:** When one person passes the survivor, usually it's defaulting to the surviving owner. Mm-Hmm. But now it's when somebody is the sole owner of real property, and maybe they're the sole owner of their house here in Minnesota and they've got that second home in [00:07:30] Arizona.

[00:07:30] **Matt Nelson:** Classic snowbird scenario. Yes,

[00:07:33] **Jen Santini:** exactly.

[00:07:34] **Jen Santini:** Probate in Minnesota is really not that bad. I do not want clients to have to go through it in two states. So that is typically where you're gonna see a revocable trust make the most sense. Okay. I would also say there's two other like little check boxes. For me, it's if I know from an administration side, so you had mentioned, you know, learning things, you know, constantly when we talk, I learn something new every time I do an administration, so every time I do an administration, there's some little quirk that says, oh.

[00:08:05] **Jen Santini:** This is why we should have, you know, it maybe should have been done this way or this, and you know, or years ago I had something and so this is why I plan for it this way. And so if I know from the backside it is going to be easier to administer through a trust, maybe you need a trust for long term.

[00:08:22] **Jen Santini:** Maybe you're wanting to do a trust for an adult child that. Has money issues, um, and you're gonna need to keep them, the funds protected. Well, it's already in that structure. blended families, I think is another big one. Second marriages spouse, one passes away. They wanna provide for surviving spouse, but they wanna be able to control what happens at surviving spouses death.

[00:08:44] **Jen Santini:** Um, having that trust structure can, can really help.

[00:08:47] **Matt Nelson:** Okay. So it's, so that's, that's good clarification. 'cause I think a lot of times I'll, clients that talk to me get the impression that they have to have a, a very complex situation. Right. Millions and millions of dollars and lots and lots of [00:09:00] property.

[00:09:00] **Matt Nelson:** Right. But I think what you're saying is, well that is one reason. Yeah. But, maybe they don't even have any, uh, assets outside the state, but there's just. There's enough complexity and enough, uh, enough different wishes they have in the way that they want their assets to pass that, uh, some administration would be easier with a trust.

[00:09:20] **Jen Santini:** You know, Matt, I always, when I'm speaking for various seminars, I give a, an example of one of our mutual clients, which was a single gentleman owned a home and I really thought a will, a will would be fine. And then he said, well, I would like to leave. These 25 specific gifts to people, and it ranged from like $5,000 to this person and a thousand dollars to this person.

[00:09:43] **Jen Santini:** And it was like Suzy at the bar. And you know, this guy that I worked with. And again, we did it as a trust because it made it easier from an administration side versus when you go through probate. All of those people would've had to be given notice about the proceeding, all of those. But we would've needed full legal names, addresses.

[00:10:04] **Jen Santini:** And so again, we did it as a trust and it made it much easier to administer. So

[00:10:10] **Matt Nelson:** yeah, that's a fantastic example. I know exactly who you're talking about, and it's, it's, it's very, it's fun to see because that's, you know, that individual's wishes were carried out. Mm-Hmm. Yes. And, um, it didn't matter that the.

[00:10:24] **Matt Nelson:** Some of the gifts were relatively uh oh, relatively small, right? Correct. Yes. But at the end of the [00:10:30] day, um, this, this person, you know, felt like during their lifetime, they knew that the, that what they had accumulated and saved the people that were important to them, they were gonna be able to take care of in a way that that mattered.

[00:10:42] **Matt Nelson:** Yes. And so that was, that's a great, it's a great way to think about estate planning beyond. Just the mechanics of the law. It's yes, what you know, is it, is it really, uh, serving what your, what your wishes were,

[00:10:56] **Jen Santini:** right? Yeah, very much so. Very much so.

[00:10:58] **Matt Nelson:** That's very good. Well, okay, so, uh, let's touch, let's maybe touch on taxes because, um, yes.

[00:11:03] **Matt Nelson:** Often I hear, oh, well you just set up a trust so you can avoid paying taxes. That's the whole reason.

[00:11:09] **Jen Santini:** Yes, yes. So there are, what I would first like to explain is three different types of trust typically. So the first one is to understand is a trust that is not in effect today, but we might create a. Down the road.

[00:11:24] **Jen Santini:** And that is typically the one that we refer to as a testamentary trust. And it is commonly used for minor children. So in our last, you know, episode, we referred to the fact that we don't wanna leave minor children for a whole host of reasons. And we might not even wanna leave young adult children, you know, your life insurance policies and your retirement accounts outright.

[00:11:43] **Jen Santini:** And so, you know, setting up a trust under a structure, whether that's a will or a revocable trust, you know, is important to do. We just, we're starting to talk about these revocable trusts, and it's important for people to understand this. Revocable trust is a pass through entity, [00:12:00] so by putting assets in there, you are not sheltering it from creditors, from taxes, it's revocable.

[00:12:06] **Jen Santini:** You have control to amend it, to modify it, to change it, to put assets in, take assets out. The other type of trust is use, what we use is called an irrevocable trust. And we don't use them often. I mean, they, we really are very selective because you really have to go into it thinking, I can't touch this.

[00:12:25] **Jen Santini:** I am getting money out of my estate. I am not going to have control over that. I'm not going to benefit from that. and so you're right. I mean, clients will come in, they'll say, oh, my neighbor had this fancy, and I always say. If that really were the case, don't you think everybody would do that? Um, right.

[00:12:41] **Jen Santini:** And so it's important to understand that. Particularly with the common use of a revocable trust is not going to avoid taxes. However, we can structure that trust in a way that we can build in tax planning, and we can also utilize those trusts. And again, typically if we're dealing with spouses to possibly balance the estates.

[00:13:02] **Jen Santini:** So we're already sort of separating, um, the estate a little bit between the two spouses to maximize, you know, tax benefits. I think from the, the foundation to understand that there is a federal estate tax and that for various states they have their own estate tax and most often these taxes are a tax on the value of the estate.

[00:13:27] **Jen Santini:** It is not an inheritance tax. It's not a death [00:13:30] tax. I always say, I don't even know really what that looks like. Yes. But it's what is the value of your estate at your passing, and then it's a tax on that based on that value and whatever the laws are. That's great. So it's important. Yeah. And it's important to understand the federal law, which I say if this is a problem for you, it's a sort of a good problem to have.

[00:13:49] **Jen Santini:** It's over $13 million, so that means that you could have $13 million. You could pass away, and if you leave it to your children, there's not going to be an estate tax. Spouses can leave an unlimited amount to one another so they don't have to worry about estate tax. But in a common scenario where you have a couple.

[00:14:09] **Jen Santini:** One spouse passes and the survivor inherits everything, and then they pass away and it goes to the kids. That's when the estate tax would be incurred. And so the use of a revocable trust can help possibly balance the estate between the two spouses. And then also we would draft some language where we can implement some strategies that upon the death of the first spouse.

[00:14:32] **Jen Santini:** We're not commingling the two estates

[00:14:35] **Matt Nelson:** got mixing the two. Okay. Yes. So just to unravel that a little bit, I think I, you know, knowing that there's this roughly 13 million of, we like to call it a coupon, like a, it's, it's sort of a coupon off. You don't get to, you don't have to pay tax on the first chunk.

[00:14:50] **Jen Santini:** Yep.

[00:14:50] **Matt Nelson:** but because each, person in the marriage gets

[00:14:54] **Jen Santini:** Yes.

[00:14:54] **Matt Nelson:** Their portion that's. I understand why it's best to plan ahead while you're both [00:15:00] still alive so you can balance this estate. So you're talking about this balancing of estate. look, there's no taxes if the first one dies and they haven't done any estate planning Yeah.

[00:15:08] **Matt Nelson:** But you kinda wasted your coupon. Yes. Is that, is that right?

[00:15:12] **Jen Santini:** Yes. Because what ends up happening, and it is important to understand that for most states that have their own. Estate tax, it is usually significantly lower. Mm-Hmm. So here in Minnesota our threshold is $3 million. Whoa.

[00:15:28] **Matt Nelson:** Significantly different.

[00:15:29] **Jen Santini:** Significantly different. So for a lot of our clients, we're not really worried about the federal as much It usually is. We're dealing with the this Minnesota level. And I think it's also important for clients to know, again, you take a young professional couple, they've got young kids and they might think, oh, this wouldn't apply to us.

[00:15:49] **Jen Santini:** They might be carrying large life insurance policies.

[00:15:52] **Matt Nelson:** Sure.

[00:15:52] **Jen Santini:** Life insurance, it passes income tax free, but that value is calculated in the value of your estate. So you have one spouse that has a million dollar policy and another spouse that has a million dollar policy that's in a combined estate that's $2 million right there.

[00:16:08] **Jen Santini:** And people don't think about that. and so there are rules that when the first spouse passes away where you can sort of implement some of these strategies and you, you sort of have to have it built into the plan. So you can make these elections and you can trigger that tax savings or, or, um. Sometimes it could even be tax deferral, meaning that maybe it's the fact that we're [00:16:30] not paying tax upon the death of the first spouse, but there may still be tax upon the death of the second spouse, just depending upon the estate and the value, and again, the laws that are in effect at that time.

[00:16:41] **Matt Nelson:** That's really significant. I mean, $3 million in Minnesota, that is not hard to get to when you consider, like you just said, a little bit of life insurance.

[00:16:49] **Jen Santini:** Yes.

[00:16:49] **Matt Nelson:** Houses these days. It's, it's, oh yes. It's not unheard of to have a million dollar house very easily these days.

[00:16:55] **Jen Santini:** Yes. Um,

[00:16:56] **Matt Nelson:** just with real estate prices and a, and throwing a couple IRAs and there you go.

[00:16:59] **Matt Nelson:** So, oh yeah.

[00:17:00] **Jen Santini:** Well, I think

[00:17:01] **Matt Nelson:** a lot of clients don't really realize. Correct the issue that they're at already. Um, I and, and not just, maybe not just today, but when we're doing the planning. Hmm. you know, just helping people understand like, you know, you're maybe not there today, but based on what we're doing and the strategies Mm-Hmm.

[00:17:17] **Matt Nelson:** We have in place. It's just a few short years and this is going to be a problem. We need to plan, we need to get out ahead of it.

[00:17:23] **Jen Santini:** A hundred percent. And you know, we are always trying to say, we're trying to put a plan in that place that would grow with them. Because I also laugh that I'm a non-native Minnesotan, but Minnesotans are some of the most, I think, unassuming, wealthiest people.

[00:17:39] **Jen Santini:** I mean, they've worked really hard at these jobs. I mean, I've got clients that have, they're very loyal, you know, where the Twin Cities market has got great, you know, fortune 500 companies that these people have worked at for a really long time. They have saved really well, they might have, you know, stock options that they've had from these companies.

[00:17:56] **Jen Santini:** And so I, it's often that I have clients that come [00:18:00] in and they'll say, we do not, we're not even anywhere close, but you start to talk with them and you start adding things up and they're going, oh, I guess we're in a better position than we thought we were. Um, yes. And so it is. And then, and then again, you've got clients that.

[00:18:14] **Jen Santini:** They might be addressing their estate plan for the first time 'cause they're really more concerned about the guardianship, nomination, and protecting things for their minor kids. They're gonna grow, right? Their assets are gonna grow. They're getting into their potential, you know, their high earning years, they're possibly gonna get promotions or, you know, and so yeah, you're wanting to put a plan that's somewhat flexible and will grow with them.

[00:18:36] **Matt Nelson:** Absolutely. Yeah. So touched on there the guardianship issues. Why don't we kind of back up a second, um, and, and talk about when there's minor children. Yeah. And, and also I would say, I wanna discuss, Maybe couples that don't have children Yes. Or, or a single individual. When would, Maybe a corporate trustee come into place or someone that's not a family member to help take care of things.

[00:18:58] **Jen Santini:** Sure, sure. Yes, and actually, I think it was in the last episode that I had mentioned that, you know, sometimes it is the, the single individual or the, the people that possibly don't have children that they can sometimes the trickiest to plan for. I think us as parents, you know, you sort of have this default of, oh gosh, well we're both gone, you know, everything's gonna go to our kids.

[00:19:17] **Jen Santini:** And it seems somewhat of that default. but, you know, with, with people that they're trying to figure out what do they want to do with their assets. and so certainly if clients are thinking that they do want to possibly leave assets for maybe [00:19:30] nieces and nephews. Again, even though they're not your children, if they're minors, we gotta protect those assets for them.

[00:19:36] **Jen Santini:** And so making sure that we're, we're structuring that, that sense. and then certainly it's, you know, when we're trying to decide who to name in some of these roles, I mean, I do spend significant time, even when I'm talking with parents and we're trying to address this with their regards to their own minor children.

[00:19:54] **Jen Santini:** The trustee role to oversee assets for young children is a really, really important and, um, particular role that you've gotta give a lot of consideration because people are, you know, having a lot of discretion. And I, I think particularly as parents. When we are raising our kids, it's how are we raising our kids as it relates to values and money?

[00:20:15] **Jen Santini:** Mm-Hmm. Um, and so you really gotta make sure you've got the right people in place, but if you don't have somebody like that in your life, you may need to look to a professional to do that.

[00:20:25] **Matt Nelson:** Yeah. You know, it makes me think of a, you know, a couple different stories, just client stories that we have, but one in particular, and it's, it's just, it's unfortunate, but is a situation where there's mi minor children.

[00:20:36] **Matt Nelson:** Parents passed away. Large life insurance policy, no trust in place. Hmm. So therefore, all the challenges that come with that, but more or less, just to simplify it, the, the assets, you know, were put in an account for that child's benefit and fully available when that child turned 18

[00:20:55] **Jen Santini:** mm-Hmm.

[00:20:55] **Matt Nelson:** Now, no matter how many times I tried to [00:21:00] simplify it and talk to these under 18-year-old.

[00:21:03] **Matt Nelson:** Kids, and help them understand a little bit about the compounding MO of money and how that worked and even after they turned 18, and how they may not ever have to save for retirement again if they would treat this correctly. How much do you think of that money is left today?

[00:21:17] **Jen Santini:** Not very much. Not very much.

[00:21:19] **Matt Nelson:** Yeah. As, as in zero. And it's just really, it's really unfortunate. It, it's, yeah. You know, this is, this is a key place I think that, you know, a, a trustee, Maybe not even a trustee from the family. Yeah. Should be involved. Because if you're the aunt, you don't want to be the bad aunt who won't Yeah. Give your, you know, niece or nephew the money and you can kind of put that off on someone else.

[00:21:42] **Jen Santini:** Yeah. Yeah, no, very much so. I always say that 'cause you wanna, you wanna preserve relationships for sure. And I always joke, money makes people funny and I don't think that when you name the aunt to serve in that role that they are trying to be mean by saying no. But they do exude a lot of. Discretion and a lot of judgment and what they think is appropriate or not.

[00:22:08] **Jen Santini:** And so you can see where that power struggle really comes in. And there's a lot of times that they are so frugal. You know, they, that those ti, those purse strings are so tight and you know, the beneficiaries going money, they don't wanna mess it up. They don't wanna mess it up, mess up. And they think that it's supposed to last, you know, in perpetuity, which that sometimes isn't always the case.

[00:22:28] **Jen Santini:** Right. And so to your point. [00:22:30] Having that professional that knows how to structure it to say, okay, we're gonna put these funds and this is the balance of how we're going to invest it. And we know if we only spend X of it, you know, we can still continue to, to make it grow and make it work for us. and then they also can usually be the bad guys.

[00:22:47] **Jen Santini:** They also can be the ones that have an easier time to say, Nope, that's not really what this money is for, or that's not how this, you know, the, the rules work. Then certainly I think, you know, you started the conversation a little bit too with regards to trust, and clients that have unique assets. So there are some clients where if those business interests are going to stay in trust.

[00:23:08] **Jen Santini:** I've had several clients where they do want their kids to have the option. To possibly continue these businesses. but they might also not be of the age that they will be able to do it, if the parent passed right away. Um, and sometimes that's even just even let's say rental properties.

[00:23:24] **Jen Santini:** And so possibly having professionals in place just based on what are the uniqueness of the assets that possibly are in the trust as well.

[00:23:31] **Matt Nelson:** Sure. Just to kind of bridge that gap until they're, they're may be responsible enough. Yes. And it's very good.

[00:23:37] **Jen Santini:** Yeah.

[00:23:38] **Matt Nelson:** Um. I know we're getting closer on time, but I do wanna kind of touch on, a little bit around just maybe, what's referred to as elder care planning Yes.

[00:23:46] **Matt Nelson:** Or just kind of the planning toward the end of life and Yeah. And maybe one of the first things I want you to, to comment on is, is back to that idea of the couple without children. Mm-Hmm. And maybe who doesn't have, well, let me back up a. [00:24:00] You know, in today's age, people are living longer and longer, much longer than their parents.

[00:24:05] **Matt Nelson:** Yes. And I, you know, I'll see couples without children that are very healthy way into their eighties. Yes. They might not have any other living relatives around. I know. Yes. And there's some significant decisions to be made. So how do they kind of handle some of that? If maybe one of them is the primary financial decision maker and they're worried that, Hey, if I'm getting capacitated what happens to my, my spouse?

[00:24:29] **Matt Nelson:** That's not,

[00:24:30] **Jen Santini:** yeah. And it is. It is really hard. And I will say, Matt, I mean I think that this is going to, I. Be an issue that more and more communities are going to face, which is there are not enough providers to sort of fill this gap, to fill that role. Um, you know, we were talking about sort of a corporate trustee or professional trustee, and a lot of times those are either associated with, true, professional, you know, trust companies, or there's certain banks that have trust departments.

[00:24:55] **Jen Santini:** but to your point, sometimes it's needing more of that. Individual, professional fiduciary to serve in some of those incapacity roles for these clients. 'cause they, again, they don't have anybody to name. Um, and it is a huge, huge struggle. Um, so it takes a lot of sort of networking and talking to people to get those referrals.

[00:25:14] **Jen Santini:** And then, you know, when you sit down with clients to say, okay, you, you might be that candidate to, to reach out. Let's have that conversation and let's make sure that you feel comfortable with this person that is not related to you making some of these decisions. you know, you [00:25:30] started to touch about with regards to sort of that elder law planning.

[00:25:33] **Jen Santini:** you know, that is a very, very unique area. The law. It's always, I always say we, I know enough about it, particularly here in Minnesota to be dangerous. But we again, certainly those are things where we possibly refer out, particularly when that need is. Um. Is true. So I do think we get a lot of clients that will ask about it.

[00:25:50] **Jen Santini:** And again, to your point, sort of about the taxes, I think it's the same thing. People will say, what do I do? Or how do I get rid of all of my assets so that if I have a, you know, a true, um, a long-term event, you know, and I need long-term care that the state isn't going to take all, you know, take all of my assets.

[00:26:07] **Jen Santini:** Right. And it gets difficult. It really gets difficult because, you know, there are certain clients that I look at and I say. You're not gonna qualify. You're gonna have to, you know, you're gonna self-insure, or you're, and again, or you're gonna be proactive and have a conversation and do you end up doing a true, you know, long-term care policy.

[00:26:26] **Jen Santini:** and then there are some clients where they're, net worth, it's going, It's gonna get spent. it, there's nothing at this point because you do have to be so proactive. here in Minnesota we refer to, uh, people will refer to as a look back period. So when people are starting to venture into the, the planning process, and again, there might be the desire and, and the advice to say, yes, we should give and get assets out of your estate so that you don't own them.

[00:26:56] **Jen Santini:** But if you have to receive care or if you have to apply for, for [00:27:00] public benefits within that look back period, which here in Minnesota, it's that five year look back period, then that's where there, there can be issues and sort of ineligibility. And so it's that window, you know, as a 40 something year old, it's, you know, you're not really planning for a little

[00:27:14] **Matt Nelson:** early,

[00:27:15] **Jen Santini:** but if you're 88, yeah, you might've also missed that window.

[00:27:18] **Jen Santini:** You know, you, [00:27:19] **Matt Nelson:** you might've in five years, doesn't sound like a long time, but it's. It's kind of a long time when you're talking about some of these, you know, especially when it comes to some of the very, the very basic, kind of unfortunately often used tactics of let's just put the house in my daughter's name and then gift all of my assets away and, and hopefully get past five years, but.

[00:27:41] **Matt Nelson:** A lot of stuff can happen in five years to your kids who now have all of your assets who could themself get sued and lose all of the money that was intended for your healthcare. So it, it's a very convoluted, Area of planning you have to be careful with. Oh yes. And you, you need to really plan ahead for it.

[00:27:58] **Jen Santini:** Yeah. Well, and not to sort of open a whole other can of worms, but then it's the clients too that have to understand what is it, you know, that you are, you're gifting and getting out of your estate. Um, and this happens also when we're planning from an estate tax planning side, when people say, oh, I wanna gift all these assets out of my estate so that, you know, I'm not gonna pay estate tax.

[00:28:18] **Jen Santini:** When you gift, you are potentially causing issues with capital gains tax. That's right. And so then you start to have to deal with, you know, okay, well yeah, the estate tax might not be so bad. Um, your [00:28:30] capital gains tax is actually going to be worse. And that is something we're starting to see and do a bit more where.

[00:28:36] **Jen Santini:** Some of that tax planning after a spouse had passed away was implemented, but now that widow has survived, you know, maybe 20 years, and now we're saying, oh gosh, you know, when they pass away, we actually might be worse off with this capital gains exposure than we would be with the estate tax.

[00:28:54] **Matt Nelson:** That that's right.

[00:28:55] **Matt Nelson:** Exactly.

[00:28:55] **Matt Nelson:** This,

[00:28:56] **Matt Nelson:** this is, this is a fantastic like, kind of, area of planning. We could go down for a while. Yeah, but I, I think the. Maybe the takeaway is that, just, don't make knee jerk reactions thinking you're trying to solve one problem and ultimately create three other problems. Yes. And, and so it's a, the, the whole financial planning and estate planning and tax planning.

[00:29:16] **Matt Nelson:** It's a giant puzzle that you have to just kinda build from the outside edges in. And yes, um, every piece you move might change the other piece, so

[00:29:26] **Jen Santini:** I know.

[00:29:26] **Matt Nelson:** Very good, very good information. Jen. I always love talking to you. Yes, of course. I'm gonna have to have you come back on some other time. Course. We'll pick one of these topics.

[00:29:35] **Jen Santini:** Yes.

[00:29:35] **Matt Nelson:** You know, bill, I think we're gonna, kind of wrap it up there and, and I want to just put this message out to listeners that, you know, if you found something pretty interesting about our topic today, let us know because we, yeah. I actually have an email, MWA, podcast@focusfinancial.com.

[00:29:52] **Matt Nelson:** And I'd love to hear if there's a certain aspect of this that was more interesting and then we could delve into it a little bit more.

[00:29:58] **Jen Santini:** Mm-Hmm. Oh yeah.

[00:29:59] **Bill Tucker:** No, [00:30:00] I think that's a great idea, Matt. because there, there are a lot of things that y'all touched on and, um, mercifully from a listener point of view, you stayed a lot out of the weeds here.

[00:30:10] **Bill Tucker:** Have tried, you gave us a nice, good, clean overview Yeah. Of what we should be thinking about. Jen, thank you very much. That Of course that was, you made that very listenable and, uh, you know, it's an uncomfortable topic. As Matt mentioned in the first episode. A lot of people don't want to think about this stuff.

[00:30:24] **Bill Tucker:** Mm-Hmm. It's. You have,

[00:30:26] **Matt Nelson:** you know, you feel a lot better when you do talk about it at the end when it's all wrapped up. And, you know, I'll often see, uh, you know, a trigger might be someone going on a long vacation, they're, Hey, we're, we're retired. Now we're gonna do the round the world, you know, cruise.

[00:30:41] **Bill Tucker:** Yeah.

[00:30:42] **Matt Nelson:** And this whole thing's just weighing over 'em. Mm-Hmm. So just get it, get it outta the way ahead of time. You'll just feel so much better.

[00:30:47] **Bill Tucker:** Now, I know that both of your contact informations are in the show notes, but Matt, uh, you wanna give us Jen's contact and, and then share with us yours as well?

[00:30:56] **Matt Nelson:** Well, Jennifer, yes. Um, I, I want you to give your, your, um, website address again, because again, I think it's also exotic when you bring it up. The name of the firm.

[00:31:06] **Jen Santini:** Yes. It's, so, it's kora santini.com and that's S-Y-K-O-R-A. S-A-N-T-I-N i.com.

[00:31:16] **Matt Nelson:** And are you on LinkedIn and other social media outlets as well?

[00:31:19] **Jen Santini:** We are, yes.

[00:31:20] **Jen Santini:** We probably are not as good probably as you are truthfully, but we are on on all of 'em.

[00:31:26] **Matt Nelson:** Okay, great. We'll put that in the show notes as well and you can course, uh, [00:31:30] you know, visit our website@perspectivesixgroup.com, the number six. And, uh, check out we, we do have some estate planning articles there as well.

[00:31:39] **Matt Nelson:** We'll link to the, um. To the various, uh, places how to contact Jen in the show notes. You can find the show notes out on our website. you can also give us a call if you wanna chat, have a second opinion or get in touch with Jen. So my number's 9 5 2 2 2 5 0 3 3 3. And uh, yes until, until next time.

[00:32:00] **Bill Tucker:** Well, you know, until next time, those of you who are listening, if you have an idea about something you would like to hear Matt address in these podcasts, reach out and get in.

[00:32:08] **Bill Tucker:** Touch in, in touch with him, as well as if you have any questions about the issues of estate planning that have come up in the past two episodes, we'd love to hear from you and we'd love the opportunity to address those questions. Give you some answers. As a matter of fact, for those of you who are regular listeners, thanks for listening.

[00:32:27] **Bill Tucker:** For those of you who are listening who are not yet subscribers, well this is easy. You hit subscribe. Uh, that's all you have to do. You could hit subscribe and then you don't have to think we had where whatever about. Who was that guy and when did I hear it? You will automatically be notified when Matt puts out a new edition of the Med Tech wealth advisor.

[00:32:49] **Bill Tucker:** It's really that simple. We'd also ask that if you would write it and share it. Let people know about what man is talking about here and how you find it helpful to listen. Until [00:33:00] next time, on behalf of Matt and everybody at Perspective six, I'm Bill Tucker thanking you for listening and reminding you that you do have an opportunity today to go out and make it a great day or not.

[00:33:11] **Bill Tucker:** It is. Your choice. Until next time.

[00:33:21] **Voiceover:** Thank you for listening to the MedTech Wealth Advisor podcast. Click the follow button to be notified when new episodes become available. Visit our website at www perspective six group.com or give us a call toll free at eight eight eight. 5 9 1 9 7 7 0 or locally at 9 5 2 2 2 5 0 3 3 3. And don't forget to click the follow button to be notified when new episodes become available.

[00:33:48] **Voiceover:** The views expressed are not necessarily the opinion of Oaic Wealth Inc. And should not be construed directly or indirectly as an offer to buy or sell any securities mentioned herein. Investing is subject to risks including loss of principle invested. Past performance is not a guarantee of future results.

[00:34:05] **Voiceover:** No strategy can assure a profit nor protect against loss. Please note that individual situations can vary. Therefore, the information should be relied upon when coordinated with individual professional advice. Investment advisory insurance and financial planning services offered through Focus Financial Inc.

[00:34:24] **Voiceover:** Securities offered through Oaic Wealth Inc. Member FINRA slash SI pc. [00:34:30] Oaic Wealth is separately owned and other entities and or marketing names, products or services mentioned here are independent of OSA Wealth.