

ESTATE PLANNING HANDOUT

Step one is to have an inventory. If you don't have one, start on it now. Make sure that it's comprehensible to the people who will need to use it. Make sure that someone knows where it is. Once you have a fairly complete inventory it may also be useful for your next discussion with your home insurance agent. There are two sample inventory sheets in the handout. The format has to be suited to your own individual circumstances. Excel is one way of doing it. You need to get started now. The values you assign have to be practical. One advantage of doing this on the computer is that you can review it periodically.

How much help will your survivor need to identify items? How realistic is your guess as to current fair market value. Are key factors in value noted (such as remoting, custom paint, private road name, unusual rarity)? Are you ignoring sentimental value? (you should) It's probably best to keep it in electronic form for regular updating, and print out occasionally.

If you do painting or repairs, and therefore have other peoples' stuff in your custody, is there a listing of those items and whose they are? While you're at it, do you have anything loaned out, or out for repair or painting? And do you have custody of any items that belong to your club or historical organization; is there a listing of those, so that your historical society doesn't have to go to court to get their stuff back.

Step two is to have a discussion with your probable survivor(s) and explain what you expect to leave behind, recommendations as to disposal, who to contact (dealers who can handle your collection; a friend that's trustworthy), and guidelines for evaluating the time & effort versus money equation. Be aware that this needs to be reviewed occasionally. You also need to look at the value of your railroad stuff in relation to the totality of your estate. You might want to find out while you're doing this if your wife/husband/? has a collection of some sort.

If you absolutely don't want to have a discussion with your probable survivor(s) about the worth of your collection and the disposal of it, suggest you have a "To Be Opened In The Event of My Death" envelope. And make sure someone knows where it is.

Understand the relationship between time, labor, and money. You'll get less for your stuff if you're in a hurry. Maximizing return will take time and effort. There are many ways to go about this, but you absolutely need to discuss it. Does your widow want to shlep your stuff to train shows for three years? Does she want the benefit and the hassle of something like eBay. Be aware of the possibility, and the pros and cons, of consignment.

For disposition of books, photos and railroadians: some of the factors to be considered are dollar value, tax deductions, and Railroad History. Is your priority tax deductions, or is it that irreplaceable stuff goes to a good home where it would be appreciated [these are not necessarily mutually exclusive]? You need to become aware of organizations such as historical societies that may have a use for your stuff. I will not presume to give tax advice, as there are too many variables. However, it may be advantageous to have survivors gift collectibles to tax exempt organizations rather

than have the estate do it. Know where and how to research tax consequences or get current tax advice specific to your circumstances. For those out-of-print books, be aware of what the national dealers are asking for them, but know that this is not a good indicator of what an individual is likely to get.

Getting a layout out of the house is often a major problem. Not only are we usually talking about a lot of stuff, we're also talking about a lot of material that is not reusable. The problem is compounded if the layout is attached to the house. One possibility is to exchange some equipment to a local club in return for them taking the layout out (and not damaging the house in the process).

If you have a sizeable collection of brass, it is likely that your survivor should consider selling it in one lump, and not permit a dealer to cherry pick. I'm not just going to talk about brass, but for those of you who have a significant amount of brass, that's where the money is going to be. For example, if you have 300 plastic cars, worth \$3-5 each, that's \$900 to \$1,500. It's not too hard to have three or four pieces of brass that will be worth more.

If you have rare or unusual non-brass[rare die cast, plastic, wood], is it so indicated, and is it worth separating out?

Do you have items that have a history that may increase the value? (a genuine John Allen piece, or the like)

Is there tinplate that's worth reselling carefully?

Did you promise someone first refusal of anything. Does your survivor know who these people are?

Have you reviewed the current value periodically, to consider fluctuations in the market, reissue of brass pieces in plastic?

Finally, you might suggest that your local NMRA Division do what others have done; have an established committee prepared to assist surviving spouses in properly disposing of whatever you leave behind.

By the way, if you put *Estate Planning for Model Railroaders* into Google, the first site is a little workup on this someone did for the NMRA

Manufacture	Stock No.	Railroad	Engine/Car Class	Engine/Car No.	DCC Yes/No	Sound Yes/No	Value

Whyte		RdName	Manuf	Imp	Painted	Box	Purchased	Orig Cost	Curr Value	Comments
2-8-0		B&O	United	PFM	Y	Y	2003	\$200	\$200	
2-8-0		Ma&Pa	United	PFM	N	Y	1970	\$50	\$250	
2-10-0		FL	Samh	WMC	Y	Y	1982	\$150	\$300	Priv Rd
2-10-0		SLSF	United	PFM	N	Y	1970	\$60	\$200	
2-10-0		WM		CustBras	Y	Y	2002	\$710	\$710	Regeared
4-4-0		PRR		Gem	Y	N	2008	\$100	\$150	
2-8-2		DMIR	Fuj	NWSL	Y	Y	1973	\$125	\$300	
2-8-2		USRA		Sunset	N	Y	2000	\$100	\$150	USRA Heavy
2-8-2		VGN	Ajin	Overland	N	Y	2005	\$400	\$500	
2-10-2		B&O		LMB	N	Y	2001	\$150	\$300	
2-10-2		C&O	Samh	Sunset	N	Y	1990	\$150	\$200	
2-10-2		USRA	Akane	Akane	Y	Y	1995	\$150	\$200	Light
2-10-2		USRA	Akane	Akane	N	Y	1973	\$100	\$200	Light
2-10-2		USRA		Sunset	Y	Y	1999	\$200	\$250	Heavy
4-4-2		C&O		Overland	N	Y	2005	\$200	\$300	
4-4-2		MILW	KMT	NKP	Y	Y	1972	\$150	\$300	
4-6-2		USRA	Akane	Akane	N	Y	2008	\$200	\$250	USRA Heavy
4-6-2		PRR	United	PFM	Y	N	2008	\$150	\$150	
4-8-2		C&O	Oly	Gem	N	N	1970	\$100	\$250	Bowser mech

