

Structured Installment Sale: Payments at Death and Probate Acknowledgment

Seller(s): _____ Property: _____ Date: _____

Carrier selected: _____ Why this carrier: _____

1. Who receives remaining payments if I die

In a structured installment sale, the buyer's payment obligation is assigned to an insurance carrier, which pays me over time. If I die before all payments are made, who receives the rest depends on the carrier's contract, not on my wishes alone. Some carriers let me name any payee or beneficiary in writing. Others pay my estate unless a trust is set up as the payee or beneficiary. _____ (initials)

2. A will does not avoid probate

If remaining payments go to my estate, a will alone does not keep them out of California probate. Probate can take a year or more, and the personal representative and attorney may each be paid statutory fees based on the estate's value (California Probate Code §§10800 and 10810). The simplified small-estate procedure (Probate Code §13100) applies only if the estate is under \$208,850, as adjusted. Because payments may continue for many years, they could keep an estate open, or require it to be reopened, for years after my death. _____ (initials)

3. Options we discussed (check all that apply)

- ☐ A revocable living trust set up before closing, named as payee or beneficiary (or holding title) where the carrier allows
- ☐ The selling entity, or my own single-member LLC, as payee where the carrier allows
- ☐ Choosing a carrier that allows a named individual beneficiary
- ☐ Other: _____

I was advised to consult an estate planning attorney before closing. ☐ I have done so. ☐ I chose not to. _____ (initials)

4. Tax forms the carrier issues

- ☐ 1099-R ☐ 1099-INT ☐ 1099-B ☐ None; I report the installment sale myself (Form 6252)
- ☐ W-9 on file ☐ W-4P on file ☐ Other: _____

I will review how payments are reported with my own tax advisor. _____ (initials)

Acknowledgment

I have read this page, my questions were answered, and I understand that who receives my remaining payments at death is set by the carrier's contract and the payee or beneficiary designation made before or at closing.

Seller 1: _____ Date: _____

Seller 2: _____ Date: _____

Hans Goldstein, Goldstein & Co. LLC dba Goldstein Insurance Services, CA lic. 4273294:

_____ Date: _____

This is not legal or tax advice. Consult your own estate attorney and tax advisor.