



# Estate Planning that Aligns with Life & Legacy

By Lee-Norah Sanzo



## LEE-NORAH SANZO

Lee-Norah Sanzo is a Senior Director, Client Services at Laird Norton Wealth Management. She has more than 30 years of experience in wealth management and private banking, with most of her career focused on trusts and estate planning.

If you think trust and estate planning is boring, you haven't yet met Lee-Norah Sanzo, Senior Director, Client Services at LNWM. Lee-Norah joined LNWM in 2020, bringing with her a passion for helping clients to prioritize and plan for the future. We sat down to talk with Lee-Norah about her work and why her intentional approach to planning is a perfect match for LNWM's clients, culture and operations.

### Q: Lee-Norah, what is your role here at LNWM?

**LEE-NORAH:** Essentially, it is to help clients build plans that support what they care about the most in a lasting way. And this always starts with developing a relationship with clients that allows us to work together and fully explore what they want to do. By understanding each client's values and goals, we can apply the toolkit that is most effective. But it always starts with an intentional plan.

### Q: What do you mean by intentional?

**LEE-NORAH:** By "intentional" I mean probing deeper into what you value so that what you do with your assets fully reflects who you are and what you want to accomplish. I think most of us know what we value in life. Often, it is our spouse, our children, the organizations and communities we're a part of. But most of us don't ask these very important follow-up questions: Who are the people we trust? What are our wishes for after we're gone? What do I want for my partner, for our children, for my community? What will be my legacy?

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Having an objective outsider guiding you through this process can be very helpful. I start by exploring with clients the answers to some key questions. Only you (and your partner) can answer these questions. Not me, not your attorney, not your accountant. I often suggest that clients find a quiet place and time, perhaps with a cup of tea in hand, perhaps in the company of their spouse, to sit down and explore the answers.

**Over the years, I have seen how life-affirming and empowering answering these questions can be.** I believe it's important for your loved ones to be part of this conversation so they know your wishes and can help carry them out. Also, so they can have the opportunity to ask questions and really understand your intent.



## Q: What do you spend most of your time on?

**LEE-NORAH:** A large part of my work involves getting to know our clients and their families – their needs, concerns and aspirations. That’s the only way I can give advice that is going to work well for years to come. I also advise on trusts and how clients can make the most of trusts in transferring both assets and values to future generations.

Basically, a trust is a legal document that now or in the future cordons off a certain portion of your assets for safekeeping for the benefit of certain people or nonprofits. This allows you to strengthen the people and causes you care about most by providing them with funding for specific purposes. It’s interesting to me that the word “trust” comes from the old Norwegian word for “to make strong and safe.”

## Q: Why do people set up trusts?

**LEE-NORAH:** A trust allows you to be intentional about what you want to accomplish with your wealth in a very private and controlled way. Trusts can limit distributions to beneficiaries to very specific purposes, or they can be more lenient about the use of funds. Trusts can also be used to strategically fund a favorite charity, provide a tax-planning vehicle, or care for a beneficiary with special needs.

## Q: What are the key differences between a trust and a will?

**LEE-NORAH:** A will becomes a public document upon death, because it’s filed with the Court; anyone can then access a will through the electronic court-records system. Everything in a trust, by contrast, remains private. Because it doesn’t go through probate, a trust also avoids the costs (both in time and money) of that process. Thirdly, a trust can operate during one’s life and be especially valuable during times of disability. A will doesn’t have any affect until after death.

## Q: Why do trusts seem intimidating to so many?

**LEE-NORAH:** I think that’s due to misconceptions. Many people think that you always lose control over assets when you put them in a trust. Or that trusts are not something a younger person would put in place. But those things are not necessarily true.

Trusts can be as nimble and flexible — or as rigid — as you want them to be. If you want to keep control of your assets or to make changes in the future, you can set up a “revocable” trust, which can be changed or revoked at any time during your life. Or include language that allows certain components of the trust to be changed. If you don’t want to commit assets right away, you can set up a trust that is funded after death.

There are many different options when it comes to trust structure. So we sit down with clients to fully explore their aspirations, as well as their finances, before suggesting what type of trust(s) would work

### STEP ONE... SOME KEY QUESTIONS

- Who are the people and organizations I (we) care about most?
- Who do I trust to care for me? My partner? My assets? My minor children?
- How important are tax savings to me?
- How much control do I want over my assets — during my life and after I’m gone?
- What unique assets do I own (business, collections, real estate) that I would like to plan for separately?



best for their situation. A trust document can't anticipate everything. It should provide enough direction, however, so that the person deciding on distributions can "stand in the shoes" of the person who created the trust.

### Q: When's the best time to set up a trust?

**LEE-NORAH:** Actually, there's no specific time and it is never too early to start. A Revocable Trust (a trust during life) or a Trust Under Will (a trust that is funded at passing) are components of a good overall estate plan. Both of these trust types are components of a good overall estate plan, which should also include a financial power of attorney and various types of healthcare directives.

### Q: What kind of assets can you transfer to a trust?

**LEE-NORAH:** Virtually any asset can be transferred to a trust – not just stocks, bonds and financial portfolios. For example, you can transfer ownership of your home, an art collection, a farm, or the family business. A trust can be a vehicle that facilitates the transition of ownership from one group of owners to the next in a tax-efficient way.

### Q: What role can trusts play in philanthropy?

**LEE-NORAH:** Nonprofits are often the beneficiaries of trusts. The trust can facilitate tax planning and estate planning while also providing much-needed income stream to nonprofits and charities. In certain cases, what remains in the trust after a certain period can pass to another set of beneficiaries.

### Q: Can you give us an example?

**LEE-NORAH:** Sure. Let's consider a Charitable Lead Trust (CLT). For a specified period, a charity is the beneficiary, receiving annual payouts as the fund assets are invested. At the end of that time, family members (or others) would receive all that remains in the trust, on and beyond the "hurdle rate" of return, which is now 3.5% annually. The assets in the trust would not count as part of the trust creator's estate and no gift taxes would be owed on the assets that eventually go to the final beneficiaries. Keep in mind that the "hurdle rate" is [released monthly by the IRS](#) (officially called the Section 7520 interest rate). When market interest rates are rising, as they are now, Charitable Lead Trusts in particular can be favorable.

### Q: What do you enjoy about working at LNWM?

**LEE-NORAH:** For me, this is an ideal place to work because of the personal integrity of the people here, the respect they command in the community, and the world-class expertise we offer clients.

LNWM was actually founded as a trust company in 1967. So there is a lot of institutional knowledge here about trusts, their role in intergenerational wealth transfer, how to make them work for everyone involved, how to promote family harmony, how to create legacy.

#### CHARITABLE LEAD TRUST IN ACTION

Jacqueline Kennedy Onassis had arranged that upon her death (1994) her estate would be transferred to a Charitable Lead Trust (CLT) set up to last 24 years, all that time distributing money to charity annually. In 2018, what was left in the CLT was distributed to her grandchildren.



We not only help clients explore whether a trust is right for them, we also manage the assets within the trust as trustee or co-trustee, and work with the beneficiaries so they understand how to make best use of the trust and become good ambassadors of wealth. Keep in mind that trusts are just one aspect of a wealth plan. The phenomenal level of expertise in-house at LNWMM allows us to integrate all aspects of a wealth plan, so that they all work together to achieve what clients want for themselves, their family and their community, often over many generations.



## ABOUT THE AUTHOR

**Lee-Norah Sanzo** is a Senior Director, Client Services at Laird Norton Wealth Management (LNWM). She brings to her work extensive expertise in wealth planning, taxation, market analysis, and private banking, allowing her to use trusts to make the most of client assets now and for decades to come. She often works with multiple generations within families, educating and advising trust beneficiaries especially during times of change and transition.

## ABOUT LAIRD NORTON WEALTH MANAGEMENT

Laird Norton Wealth Management ("LNWM") has long partnered with its clients to help them achieve their greatest impact through their investments, legacy planning and philanthropy. Founded in 1967, LNWM is both an RIA (registered investment advisor) and trust company, providing comprehensive and integrated wealth planning to individuals, families, business leaders, private foundations and nonprofit organizations nationwide.

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