



# TRUST TALK

WINTER 2025

## HELLO THERE!

Happy Holidays, everyone! I am not sure where 2025 went, but it sure went! I feel like this year has been a year of reflection for me and, increasingly, I am reflecting on COVID and what that experience has done to shape our current lives. In some ways, it seems to have affected every aspect of life. And, in other ways, things are back to “normal”.

You'll read some more about these reflections throughout this edition of our newsletter – specifically as it relates to living trusts and what a change we've seen in the advice we're giving to our clients post-COVID. If you haven't reviewed your plan since COVID, now is a good time to do it. Things are changing in this area and we are doing our best to stay on top of those changes.

Change is inevitable, that is a truth in life. What hasn't changed much this year, though, is our team. I am very proud to have a strong team of happy, supportive, smart, and inspiring people here to help you. We have learned a lot together this year and are excited to take those lessons and apply them to your estate plan and how to improve it over time. For example, we are making more and more connections with helpful humans at local banks to make sure there is no accidental estate planning happening there (e.g., when a client puts a child on her bank account and the account being considered part of the child's estate during a divorce!). Another example: we have identified potential insurance coverage issues when you transfer a home into a living trust and how those issues can be addressed in advance. A final example: how the new estate tax affects certain people much more than other people, and sometimes in a very negative way. All of these things we learn through real-life examples, which helps us improve our processes, our communication, and – ultimately – our clients' lives.

We hope you have a wonderful holiday season with your loved ones. As per usual, our team will be taking it slow over the last two weeks of the year, so we can spend some much-deserved time with family and friends and to gear up for 2026. We also have a new little baby on the way, due in December (more on this inside)!



**We always look forward to hearing from you so we hope to hear from you soon!**

## HAPPY HOLIDAYS

–Annie Arbenz



# DO I NEED A LIVING TRUST?

THIS IS THE BIGGEST QUESTION WE ARE GETTING IN  
OUR PRACTICE LATELY

The best way to answer this question is to look at your options. Putting this in very basic terms, there are three ways to get your estate plan done in Washington State:

1. **Do nothing** – state law will govern what happens with your estate and probate (the process to get assets out of your name after death) will be complicated, time-intensive, and expensive.
2. **Sign a Will** – the next best step is to get a Will, which outlines your wishes and makes probate easier. But it does not avoid probate.
3. **Establish a Living Trust** – with a living trust, you retitle all your assets into your revocable living trust. By doing this, you help your heirs avoid probate because the assets are already out of your name. A living trust is the most effective way to avoid probate.

Historically, most Washington estate planning attorneys and advisors have believed that a living trust is unnecessary because our probate system is more streamlined than other states (e.g., California and Florida) and the cost of putting together a living trust is unnecessary. However, in our firm, this analysis has changed over the last few years, for a few reasons:

1. More people are investing in **real estate outside of Washington**, meaning their estate would face multiple probates (in each state where they own real property). When you own real estate in multiple states, it makes sense to have a living trust to consolidate administrative work after death (i.e., avoid multiple probates/expense).
2. **Family dynamics** are more complicated now, post-COVID. We find there are more intense divides within families, including estrangement from children or between siblings, that may cause obstacles during administration after death. A living trust can mitigate some of the administrative issues very elegantly.
3. **People crave privacy** now more than ever. A living trust is a much more private estate planning vehicle in the sense that nothing is filed with the court.
4. **Surviving spouses do not want to deal with administrative stuff** after their spouse dies. This isn't new, but we are identifying improved ways to help ease the legal burden for the surviving spouse through use of a living trust.
5. Our clients want to be **more engaged with their estate plan**. No longer are people wanting to "sign it and forget it", but they want to revisit it periodically over time to make sure it continues to work as intended and that their family remains connected to our firm to help when help is needed.



6. The **court system is not predictable**. It is becoming increasingly difficult to predict what will happen in court, which is not desirable for anyone. A living trust is established to avoid court process altogether, removing that unknown.
7. A living trust provides **easier management of assets during incapacity**. Our clients are having increasing difficulty using Financial Powers of Attorney at banks and other financial institutions, to the point where they are seldom used with confidence. On the flipside, banks and financial institutions work more seamlessly with a living trust in place.
8. Our clients want to **make things as easy as possible** for their kids. A living trust is the best way to set your kids/heirs up for success after you go, BUT...it does require more work and engagement by you during life. If the periodic maintenance is not attractive to you, the living trust is not the right tool.

So, the short answer to the question is: yes, you should consider a living trust. Is it right for everyone? Nope. But it's becoming a better option for most of our clients. We have updated our internal processes to make the establishment and maintenance of a living trust as easy as possible for our clients.

*Important Note: when you establish your living trust with us, you are automatically entered into our exclusive subscription service, The Bridge Club, which provides ongoing support and check-ins to ensure the living trust is working for you.*

### Here is a handy breakdown for the pros and cons of a Living Trust vs. Wills:

## LIVING TRUST

### PROS

- Avoids probate
- More private
- No court intervention
- Less expensive for your estate
- Easier for people who survive you

### CONS

- More involved to set up
- Maintenance required
- More expensive to set up

## WILLS

- "Set it and forget it" – you don't need to think about your estate plan if you buy a new house, etc.
- Less expensive to set up

- Does not avoid probate anywhere you have property
- Will is public record after death
- Requires court intervention to distribute assets
- More expensive + more attorneys' fees after you have died

# 2026 UPDATES

# THE BRIDGE CLUB

Our exclusive subscription program, The Bridge Club, is getting a refresh in 2026! As you can probably guess, a “refresh” also means a price increase. So – if you are reading this now and you have been thinking about joining The Bridge Club, this is your last chance to do it before the price increase.

## TIER 1 – \$750

*The following benefits for five years after sign-up:*

- Free paralegal-led changes to your estate planning documents
- Discount on attorney-led changes to your estate planning documents
- Five-year check-in to see if your plan continues to reflect your desires and/or the correct people in important roles
- Free consultation with your executor/trustee after your death
- A dedicated concierge (phone number/email) at our firm + priority for meetings and communication
- Free admission to firm client events and seminars (new in 2026!)

## TIER 2 – \$1,000

*All of the Tier 1 benefits PLUS*

- A after-death planning book with prompts to complete for your executor/trustee and other family members; and
- A meeting with your attorney and children or other chosen individuals to meet and discuss/ask questions about your estate plan



The success of The Bridge Club since its inception in 2024 shows our clients’ increasing desire to remain connected to our firm and more engaged in their estate plan and to ensure its success when bad things happen. We are inspired to see that it is no longer a transactional relationship where you “hope for the best” and call us when bad things happen. Let us help your family make this as easy as possible.

This opportunity is available exclusively to our estate planning clients. You can join The Bridge Club in minutes by going to [www.thenarrowslawgroup.com/the-bridge-club](http://www.thenarrowslawgroup.com/the-bridge-club) or by using the QR code to the right.



**YOU CAN STILL JOIN FOR \$500 IF YOU SIGN UP BY 12/31/25!**

QUESTIONS? ☎ (253) 340-1825 ✉ [kristen@thenarrowslawgroup.com](mailto:kristen@thenarrowslawgroup.com)



# THE STATE OF ESTATE PLANNING

## WASHINGTON STATE ESTATE TAX

- Will go up in January to a number currently unknown (\$3M+), to be determined mid-late December 2025
- New tax rates

For dates of death July 1, 2025 and after:

TAXABLE AMOUNT	RATE	TAX OWED
\$0 to \$1,000,000	10%	\$10% of taxable amount
\$1,000,000 to \$2,000,000	15%	\$100,000 plus 15% of the amount over \$1,000,000
\$2,000,000 to \$3,000,000	17%	\$250,000 plus 17% of the amount over \$2,000,000
\$3,000,000 to \$4,000,000	19%	\$420,000 plus 19% of the amount over \$3,000,000
\$4,000,000 to \$6,000,000	23%	\$610,000 plus 23% of the amount over \$4,000,000
\$6,000,000 to \$7,000,000	26%	\$1,070,000 plus 26% of the amount over \$6,000,000
\$7,000,000 to \$9,000,000	30%	\$1,330,000 plus 30% of the amount over \$7,000,000
\$9,000,000 and up	35%	\$1,900,000 plus 35% of the amount over \$9,000,000

## FEDERAL ESTATE TAX

- Exemption goes up to \$15,000,000 per person in January for 2026
- Doubled for married couples (\$30MM)

## FEDERAL GIFT TAX

- Annual exclusion NOT going up in 2026. Remains at \$19,000
- Lifetime gift tax exemption increasing to \$15,000,000



It remains a good time to gift, given the large lifetime gift tax exemption. Please give us a call to discuss gifting options.



# TRUST & ESTATES HIGHLIGHTS



**Annie** - Finishing my first (and last) ultramarathon! Running 50 miles in 90-degree weather with 100% humidity is not something I will do again, but I'm glad I did it! And within 11 minutes of my goal time.



**Hannah** - Big year for me! My husband and I found out that we are expecting our first child, a little girl due on December 9, 2025. It's been such a joy to prepare for her arrival and I can't wait to meet her!



**Lindsay** - Celebrating my 40th birthday in Barcelona with my partner and some of my best friends! And, if I am being honest, seeing the Backstreet Boys in concert at the Sphere!



**Caroline** - I trained for and ran my first half marathon! Annie was nice enough to sign up 2 days before to run it with me!



**Madison** - Highlights of my year: Hawaii, Disneyland, and lots of family time!



**Jenn** - My highlight so far for 2025 was going to my first concert ever at The Gorge with my kids, parents, brother, and sister. It was the most magical sunset, and we all danced the night away under the beautiful stars.



**Logan** - A highlight from my 2025 was getting to travel this summer and also being able to attend the 2025 Clio Conference!



**Kristen** - I was able to check visiting a few national parks off my bucket list, including seeing the Grand Canyon with my husband and kids.



**Theresa** - I got new floors and a new boat!



## TEAM MEMBER

# SPOTLIGHT



**Q: Hey Hannah! Tell us more about what's going on with you and your family!**

A: We are so excited to welcome our first baby, a little girl, in December! She is due 12/9/2025 and so far shows no signs of coming any earlier – which is just fine with me!

**Q: That's wonderful! What are you most excited about?**

A: Overall, I think one of the things that I am most excited about is to watch her experience everything for the first time. I can't wait to show her all the things that my husband and I love –and not just the big stuff, the small stuff too. Like, for some reason, I'm excited to watch her

eat a lemon for the first time. But also, of course, I can't wait to see her experience all of the big things that we love too – reading books together, our dog, our families, swimming in the lake on vacation, golfing, Christmas, the zoo – the list goes on!

I also absolutely cannot wait to see my husband as a father. I really think he will be amazing and I am so grateful to do this together. We've had so much fun together over the last ten years and I know this next chapter will be challenging, but I can't wait to see us both grow together.

**Q: Have you received any great parenting advice so far?**

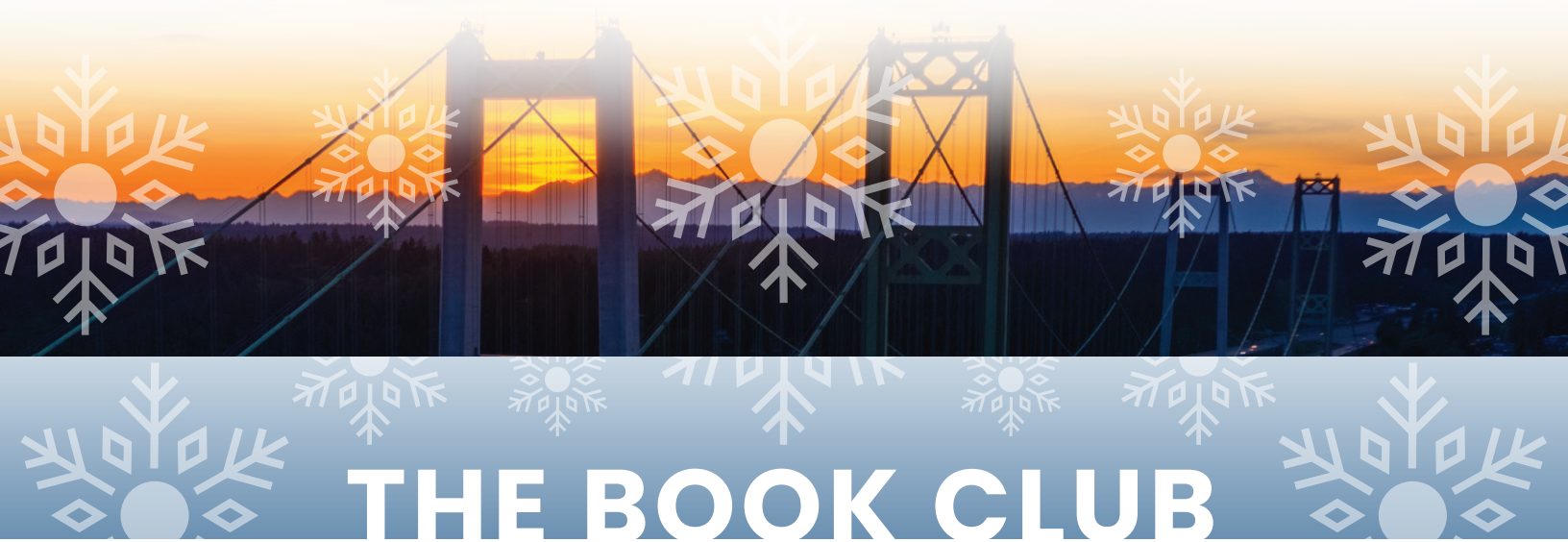
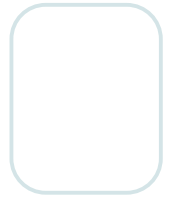
A: In terms of which pieces of advice I plan to follow, I basically have no idea what I am doing and am really trying to keep an open mind to any and all advice. Once she gets here, I'm sure that I'll have more opinions about what works for our family, but for now, I'm really trying to stay open to all of it.

I have been really reflecting on how grateful I am these days. We have a wonderful support system to help us with her when she is born, including my family, my husbands' family, and our friends. I'm really looking forward to a very special holiday season this year.



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Our team loves to read things other than legal documents, and we have come across some great books lately. We wanted to share two more of them, which have sparked some conversations (and maybe some paranoia) over the past few months...enjoy!

## PROJECT HAIL MARY

This lovely and electrifying story about a threat to the end of earth and a brave teacher's quest to save our planet is a breath of fresh air. It has nothing to do with estate planning, but maybe that's the point! This book is a lesson in friendship, perspective and perseverance.

## THE WELL-LIVED LIFE

Dr. Gladys McGarey is famous for being...OLD...and fabulous. Her unique life experiences and education leads to a wonderful "to do" list for those of us who want to have a healthful and meaningful life.

**Have a good book suggestion for us? Thoughts on our suggestions?  
Email us at [bookclub@thenarrowslawgroup.com](mailto:bookclub@thenarrowslawgroup.com)**

