



Estate Planning for Model Railroaders and Collectors

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Basics

- Like to have an interactive discussion
- Don't want questions held, so ask when you think of it
- I needed to do estate planning, so I've done this



If your immortal you don't need this



- Don't think this applies to anyone here

Why?



- Stories of
 - Estate / Spouse getting ripped off
 - Inflated values of what is in the "basement"
 - Having to go through too much to get the stuff gone
- Provide guidance of your wishes

What needs to be done?



- Have a Last Will and Testament
- Inventory – Include as an attachment
- Discussion with executor

Inventory



- Comprehensive
- Might be useful to have to discuss with insurance agent
- Make sure it is available
- If you have items loaned out – Track them
- Electronic may be best
 - Excel
 - Google Sheets
- Keep it current

Inventory



- Do you have other people's items?
 - Doing a repair, painting, decoder installation?
 - Custody from club, historical society, etc.
 - Make sure that they are listed and it is known
 - No one wants to be in court to get things back

Inventory – What?



- Rolling stock
- Locomotives
- Structures



Inventory – What?

- Other items
 - DCC system – controllers, decoders, etc.
 - LCC system and components
 - Track, turnouts, switch machines, signals, etc.
 - Books
- Railroad collectables
 - Lanterns
 - Oil cans
 - Keys, locks, TTs, ETTs, etc.

Inventory - Specifics



- | | |
|---|--|
| <ul style="list-style-type: none"> • Manufacturer • Part number • Description • Railroad • Road number • Costs w/ add-ons • Quantity | <ul style="list-style-type: none"> • Equipment type • Sub-type • Disposition <ul style="list-style-type: none"> • Who gets it when you are gone... • Comments • Fair Market Value |
|---|--|



Inventory

- Fair Market Value
 - Not what you paid for it
 - Not what you added on to it (e.g. metal wheels, couplers, DCC, etc.)
 - Not the sentimental value
- Review / Update on a periodic basis

The fair market value is the price at which a property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.



Inventory - Example

Equipment Ty	Sub-Type	Mfgr	P/N	RR	#	Type	Description	New / Use
Freight	Box Car	Athearn Blue box	2269	NYC	46581	Kit - Built	50' Single Door Box Car - Early Bird	New
Freight	Box Car	Athearn Blue box		NYC	44218	Kit - Built	50' Double Door Box Car - Early Bird	New
Freight	Box Car	Athearn Blue box		NYC	174296	Kit	40' USRA Single Door - Early Bird	New
Freight	Box Car	Altas	20 002 603	Erie	76839	RTR	1932 ARA Box Car Erie (1942)	New
Freight	Box Car	BLI	1750	NYC	103105	RTR	Steek Box Car	New
Freight	Box Car	BLI	1750	NYC	106487	RTR	Steek Box Car	New
Freight	Box Car	BLI	1750	NYC	108153	RTR	Steek Box Car	New
Freight	Box Car	BLI	1750	NYC	111869	RTR	Steek Box Car	New
Freight	Box Car	BLI	1755	NYC	103247	RTR	Steek Box Car	New
Freight	Box Car	Bowser		PRR	5421	Kit	50' Round Roof Single Door	New
Freight	Box Car	Branchline	1410	Erie	81636	Kit - Built	40' AAR Box Car	New
Freight	Box Car	Branchline	1410	Erie	82681	Kit - Built	40' AAR Box Car	New
Freight	Box Car	Branchline	1410	Erie	82538	Kit - Built	40' AAR Box Car	New
Freight	Box Car	Branchline	1438	ATSF	1396791	Kit	40' AAR Box Car	New
Freight	Box Car	Branchline	1450	NYC	165289	Kit - Built	40' AAR Box Car	New
Freight	Box Car	Branchline	1450	NYC	163844	Kit - Built	40' AAR Box Car	New



Inventory



- Can drive what you are acquiring at the next show/meet
- Unexpected Results
 - Why do I have 44 tank cars?!?
 - I need to acquire more hopper cars for my coal trains
 - My road interchanges with X, Y and Z, but I don't have any for Z to interchange
 - Other RR has track rights, so why don't I have an engine or two of theirs??

Discussion



- Discuss with the executor of the estate
 - Where the inventory is
 - Where the items are
 - Tradeoffs between time & effort and money
 - What is the significance of the trains in relationship to the entire estate
 - Trains should be just a small component to the discussion of the entire estate

Discussion



- Time & Effort
 - Fast disposition usually means less money
 - More time & effort normally yields a more significant return
 - eBay
 - train shows schlepping items means more time, but may mean more money
 - Brass collection – dealers and consignment sellers – will take 15 to 30%
- Better to increase life insurance?

Discussion



- Donations
 - No money, just a tax write-off
 - Historical Societies may be a use for your collection or part of it
- Know where and how to research tax consequences
 - Be aware that it changes too frequently
- Getting rid of a layout is problematic

Applies to other things



- Does your SO collect something?
- Doesn't this apply to that collection too?
 - Coins
 - Autographed baseballs

