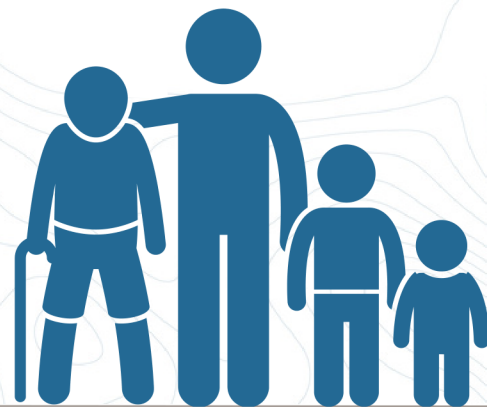


Leaving a Lasting Legacy



Estate planning is anticipating and arranging for the management of your assets, both during your life and after death. Fundamentally, estate planning involves passing assets to intended beneficiaries, protecting your estate, and, most importantly, alleviating the burdens of your family members.

Think about your financial circumstances: What do you own? Who are your heirs? What effect will your assets have on your family? Ultimately, your estate plan fulfills your wants and desires efficiently and effectively. Proper planning can make all the difference in thoughtfully carrying on your legacy.

The First Step

The first step to estate planning, regardless of age, is establishing beneficiaries. Beneficiaries can be named on 401(k) plans, retirement accounts, properties, and insurance policies.

Most plans require a beneficiary when initially setting up the asset, but they can be changed or added to a policy later.

Where There's a Will...

No estate plan is complete without a Last Will and Testament. A will is a simple way to ensure your assets go to the right people. Your will should cover several “housekeeping” details, such as paying final expenses (bills, debts, and taxes), who will serve as the executor, and what to do if an heir has predeceased you or is a minor.

A well-drafted will outlines your preferences and anticipates potential circumstances, including who gets legal guardianship over surviving children.

Handing Over Power

If you are unable to make financial decisions or manage your property, someone you trust should have discretion over your financial affairs.

Known as a “power of attorney,” this document allows your trusted representative to act on your behalf. It's important that this document is drafted by a legal professional as it can be complex and difficult to detail.

Trusts

A trust is a legal entity created to hold property. A “living trust” is the most common trust for those looking to pass on their estate’s value to other people or charities. They offer flexibility, control, and protection that a will does not.

A detailed trust allows a grantor to put restrictions and amendments to the distribution of wealth. Assets owned by a trust are not a part of the probate process, which is public, costly, and slow.

Additionally, the role of trustee can be passed on, even while the original trustee remains the beneficiary.

Death and Taxes

Your taxable estate includes all property, investments, trusts, and life insurance policies owned by you.

While much of an estate can be declared estate tax-deferred or -exempt if passed on to a spouse or charity, estate and gift taxes on inheritances can be extremely high.

Common Estate Planning Questions

When should I begin an estate plan?

It’s never too early to start planning. Remember, an estate plan should be flexible, evolving as your goals and desires change. But simply having a plan can go a long way toward easing your concerns.

Should I be worried about my heirs becoming burdened by their inheritance?

Your estate plan outlines your preferences. There is no limit to the amount of control you have on your estate. Trusts are one method to establish to whom and what assets are awarded to your heirs, and how.

Do I need to hire an estate attorney?

Retaining expert and trusted advisors is key to a successful estate plan. Attorneys, financial planners, accountants, and business advisors can all be a part of the team that helps you build or update your estate plan. More specifically, you will need an attorney with broad estate and tax expertise, excellent “bedside manner,” and a long-term focus on you and your family.

What documents are part of an estate plan?

Most estate plans include: A will, durable power of attorney (financial and healthcare), and advance healthcare directives, along with beneficiary designations or Transfer on Death designations (TODs) on assets. A skilled attorney can also assess whether a trust would be useful for your circumstance.