

# Estate Planning

What Everyone Needs to Know

# Estate Planning

*Procrastinate?*

Who me?

# Estate Planning

- ▶ Estate planning and procrastination often go hand in hand.
  - ▶ Do you have an estate plan?
  - ▶ Is it up to date?
  - ▶ Have you thought about it?

# Why Do We Put It Off?

Fear of  
dying

No  
estate

Family  
issues

Complex

Costly

# Benefits

Maintain  
control

Help heirs

Benefit causes

Potential to  
avoid/minimize  
probate

Possibility of  
saving on taxes

Enjoy life

# Estate Taxes

Important, but not the primary consideration!

## FEDERAL ESTATE TAX

Year	Applicable Exclusion Amount
2022	\$12,060,000
2023	\$12,290,000
<b>2024</b>	<b>\$13,610,000</b>

Source: Internal Revenue Service [www.irs.gov](http://www.irs.gov)

# Estate Planning Process

## Step 1. Set goals.

### Assets

- Spouse?
- Children?
- Charity?

# Estate Planning Process

Step 2. Evaluate your situation.

## Assets

- What?
- Whose name?
- Beneficiaries?
- Value?
- **Assets - Debts = Prepare a Net Worth Worksheet**



# Estate Planning Process

**STEP 3.**  
**Develop a plan.**

**STEP 4.**  
**Take action.**

**STEP 5.**  
**Monitor and adjust.**

# The Basic Documents for Estate Planning



Will



Financial durable power of attorney



Living will



Durable power of attorney for health care

# The Basic Documents for Estate Planning

 Will

 A Legal Document

 Where should assets go?

 Personal Representative/executor

 Guardian for Children

 What about beneficiaries

# The Basic Documents for Estate Planning



**Financial durable power of attorney**

For financial decisions



**Living will**

For medical guidance



**Durable power of attorney for health care**

For medical decisions

# Tools and Strategies

## Trusts

- ▶ Legal vehicle
- ▶ Manages your assets for you and/or your beneficiary
- ▶ Over 50 trusts to meet different needs
- ▶ Weigh costs and benefits

# Ownership of Assets

- ▶ Impacts estate plan
- ▶ Joint ownership
  - ▶ Simple and direct
  - ▶ May not always be the best choice based on personal situation

# Insurance

- ▶ Liability, homeowner's, auto insurance
  - ▶ Protects your estate
- ▶ Life insurance
  - ▶ An inheritance
  - ▶ Pay expenses
  - ▶ Business buy-out
  - ▶ How owned?

# Gifts

- ▶ To anyone
- ▶ To school or medical facility
- ▶ To spouse
- ▶ To charity
- ▶ To church



# Communicate

- ▶ Talk to your heirs
  - ▶ Describe your plan
  - ▶ Get feedback if you wish
  - ▶ Your say is final
  - ▶ Enlist your financial planner
- ▶ Write a letter of instruction
  - ▶ Wishes
  - ▶ Contacts
  - ▶ Financial statement
  - ▶ Location of documents



# Estate Planning Process

**STEP 1.**  
Set goals.

**STEP 2.**  
Evaluate your situation.

**STEP 3.**  
Develop a plan.

**STEP 4.**  
Take action.

**STEP 5.**  
Monitor and adjust.

# Tools and Strategies

## Planning process

- ▶ Will
- ▶ Powers of attorney (financial and medical)
- ▶ Living will
- ▶ Beneficiaries
  
- ▶ Trusts
- ▶ Ownership of assets
- ▶ Insurance
- ▶ Gifts

# For More Information

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# Thank you!

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