

Essential Estate Planning

Basic estate planning is for everyone

provided by Jude Wilson RFC, MBA

Regardless of how much wealth you have accumulated, estate planning is essential to protect not only your assets after the time of your death, but your loved ones. Estate planning serves multiple purposes. First, it can provide guidance and financial assurance for surviving spouses and children. It can preserve your assets for future generations, particularly important if those assets are subject to estate taxes, and dictate how you wish them to be distributed. It can ensure that your loved ones have sufficient cash to take care of expenses and avoid forced sale of any assets. And perhaps most importantly, estate planning can manage the expectations of your survivors to avoid confusion, resentment and even lawsuits.

Traditional estate planning starts by pulling together a few essential documents. First, every adult needs a will to dictate what happens to their property. Your estate plan should also hold a component that outlines how you wish your medical care and affairs to be handled when you are no longer capable of making decisions for yourself. You may consider designating a power of attorney and a medical power of attorney and creating a living will to make decisions in the event that you are no

longer able to due to illness or incapacity.

How complicated your estate plan becomes beyond a few essential documents depends on both the value of your assets and the complexity of your family situation. You'll need to compile an inventory of all your assets and a realistic estimate of each asset's value. If you have accumulated more than \$1 million, then you will need to plan appropriately to minimize estate taxes. Federal estate, gift and generation-skipping transfer taxes will be imposed at rates as high as 55% in the coming years, unless Congress acts, so you'll need to plan based on the size of your estate. The more you have over \$1 million, the more aggressive your planning will need to be.

As part of your estate planning, you'll need to select an executor for your will or trustees for your personal trust so they can ensure your estate planning goals are achieved. Properties held in your trust will be distributed according to the terms you set for the trust, regardless of what your will says. You'll also need to give careful consideration to the needs of your beneficiaries and their ability to manage any funds you've left to them. You may want to

set up trusts that provide professional financial management and control how money left to your heirs may be spent.

As your financial advisor, I can work with you

and an appropriate estate tax planning attorney to make sure your affairs are in order and your heirs are protected. Please call my office today to make sure you've got a proper estate plan in place.

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