

While the idea of Estate Planning can sound daunting, it can save you and/or your family from undue stress and confusion in the future.



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ESTATE PLANNING

For many, the phrase “Estate Planning” sounds as though it is something only the ultra-wealthy need to do. In truth, every family, no matter their net-worth, could benefit from an estate plan.

According to the National Association of Estate Planners and Councils, it is estimated that 120,000,000 Americans do not have up-to-date estate plans to protect themselves and their families in the event of sickness, accidents, or untimely death¹. A 2011 EZLaw Wills and Estate Planning survey affirmed these numbers. EZLaw, found the majority of Americans (60 percent) believe that all adults should have a will or estate planning documents in place, yet only 44 percent report that they currently have any such documents². Princeton Research Associates, Estate Documents Survey, March 2015 reaffirmed these numbers.

While the idea of Estate Planning can sound daunting, when broken down into smaller components it is a much more manageable undertaking and one that can save you and/or your family from undue stress and confusion in the future. Let's take a look at the key areas of estate planning.

- > **Legal affairs:** first things first, create and sign a will. Writing a will can save your surviving family members undue stress when it comes to administering and distributing your estate. You will also want to designate someone as your Power of Attorney to handle your legal and financial affairs.
- > **Financial affairs:** gather and organize contact information on your advisors, such as your CPA or Financial



Advisor. Make a list of all accounts and where those accounts are held.

- > **Asset protection for you and your heirs:** file beneficiary designations and confirm title to your accounts. In the event of disability or illness, a personalized revocable living trust can help manage your assets.
- > **Providing for surviving spouse and loved ones:** life insurance! Make sure you have enough coverage for your surviving spouse and/or loved ones.
- > **Providing for those with special needs:** the statistics on special needs individuals is staggering. If your family is one of the 16.8 million caregivers to a child with special needs under the age of 18 or is part of the 20% of 16-64 year olds that suffer from some form or physical, mental or emotional impairment then extra care is required to provide for these individuals.

¹The NAEPC Education Foundation. 2013 Affiliated Local Estate Planning Council information kit. The NAEPC, Cleveland. July 1st, 2013

²EZLaw Online Legal Documents. EZLaw Survey Finds Most Americans Recognize the Importance of a Will or Estate Planning, Yet Few Have Necessary Documents in Place. New York: Lexis Nexis, 19 July 2011. Web.

This presentation presents an overview of estate planning. It is not intended to provide full disclosure. It is not intended to give tax or legal advice. Any comments about tax treatment simply reflect an understanding of current interpretations of tax laws as they relate to estate planning and life insurance. Tax laws are always subject to interpretation and possible changes in the future. **It is recommended that you seek the counsel of your attorney, accountant, or other qualified tax advisor regarding estate and life insurance taxation as it applies to your particular situation.** These pages depict certain estate planning options. This presentation simply shows the effect that the demonstrated option(s) may have on your estate and potential estate taxes, based on certain assumptions of the value, growth, and disposition of your estate, detailed in the presentation and provided by you. All references to the present or future value of death benefits and cash values of pre-existing life insurance policies are based on the information you have provided for purposes of this analysis. They should not be construed to be the actual present or future values of the death benefits or cash values available in those life insurance policies. For a detailed projection of policy values of a given life insurance policy, please contact the company that issued the policy(ies) in question.

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ESTATE PLANNING *(continued)*

- > **Long term health care & health care costs:** designate someone you trust to make health care decisions for you with a health care proxy and communicate your health care wishes with a living will. Long term care insurance can also be purchased either as a standalone policy or as an addendum to your life insurance to help cover health care costs down the road.
- > **Estate taxes:** your financial advisor can help you determine if this will be an issue for you and your family. One way to cover the cost of estate taxes is by purchasing a life insurance policy inside of an irrevocable trust. This ensures that your family will have the funds necessary at your death to cover any tax liabilities.

- > **Business succession:** if you are a business owner you will need to plan for your company's future either in the event of your retirement, disability or death. Regardless of whether you plan to leave the business to a family member, employee, partner or sell it, you will need to consult with an advisor to ensure that the proper plan is in place to protect all you have built.

None of us really like to think about our own mortality or the possibility of being unable to make decisions for ourselves. This is exactly why so many families are caught-off guard and unprepared when incapacity or death does strike. Knowing you have a properly prepared plan in place – one that contains your instructions and will protect your family – will give you and your family peace of mind. This is one of the most thoughtful and considerate things you can do for yourself and for those you love.

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