



10 STEPS TO AIRTIGHT ESTATE PLANNING

Estate planning isn't reserved for the ultra-rich. Estate planning minimizes the tax liability for your beneficiaries while giving you peace of mind knowing that your hard work will be inherited by the people you care about most. It might seem macabre, but there's no time like the present to prepare for your family's future. Here are the essential steps for a great estate plan.

1. TAKE INVENTORY

Before you start, you have to know what you have. Your estate plan doesn't just include properties, vehicles, and cold hard cash. Plan for both tangible and intangible assets, from valuable personal possessions and the family home to investment portfolios and business ownership.

Gather appropriate appraisals and financial statements for a full picture of your total value so that you can distribute your possessions equitably.

2. ASSESS FAMILY NEEDS

What will your family need when you're gone? Your loss not only creates an emotional and relational void, but it raises a lot of questions and concerns. Be sure that part of your estate planning includes educating your spouse or other desired loved one on how to go about collecting life insurance, handling your will, and sorting through financial and legal obligations.

Who do you want to care for your minor children? Do you have enough life insurance?

Losing a loved one is stressful enough — your estate planning can remove undue anxieties from the family.



3. CRAFT A LIVING AND LAST WILL

Your will can be simple and concise or complex, depending on your assets and desires. You can always adjust your will as time goes by, so there's no need to wait until old age to get your affairs in order.

A living will is different from a last will and testament. A living will is to be executed while you are still alive and includes end-of-life wishes, such as the medical treatment you do and do not want in the event of incapacitation. Clearly expressed wishes on this front can prevent you and your family from the heartache of painful, traumatic life-saving measures when you would rather go into that good night in peace.

Your last will should include who you wish to inherit which assets, designated guardians for children, and so on.



4. ESTABLISH YOUR DIRECTIVES

Directives may be an appropriate addition.

A trust allows you to distribute assets to beneficiaries while you are alive. If you become unable to manage the trust while alive, your trustee can take over. They will be fully transferred to your trustees after death, which avoids probate for the assets therein. A trust can be revocable (which you can change while alive) or irrevocable, which cannot be changed.

Power of attorney is a crucial need in estate planning. You're giving someone else the authority to handle your finances — including taxes and debts — as well as accessing your assets. You can also designate limited power of attorney, wherein you place limits on your representative. You may only want them to have the power to act in certain circumstances.



5. THE LINE OF SUCCESSION

If you own a business, you need a succession plan. If you own a business with other individuals, craft a buyout plan. Either way, you need to make sure what you've built is protected when you're gone. Designate an individual based on their ability rather than their relationship to you. You want to ensure that your business succeeds for generations to come.

6. EXAMINE YOUR POLICIES

Look at your retirement accounts and insurance policies. While you may express your wishes in a will, these documents often have their own designations for beneficiaries. Never leave these blank. Update them regularly so that the right

names are in their place. Designate contingent beneficiaries too in the event your primary beneficiary dies before you do.

When looking at your policies, be sure they will cover any outstanding debts or financial obligations that you have.

7. ORDER YOUR ONLINE LIFE

When looking at your policies, be sure they will cover any outstanding debts or financial obligations that you have.

As part of your will, leave behind the usernames and passwords for important online and social accounts. Access to your email, bank accounts, and other digital accounts can help the family sort through your affairs more easily, as well as deactivate or memorialize your social media presence.



8. MAKE IT FOOLPROOF

Once you have everything in order, organize it. It's a good idea to keep both digital and physical copies of your will, policies, directives, and financial details. Put digital copies on an external hard drive, which you can place in a safety deposit box for safekeeping. The same can be said for physical copies — put them in a safety deposit box, leave them with a trusted attorney, or place them in a fireproof filing cabinet. Wherever you store your documents, make sure the right people know where to find them.

9. LAST WISHES

What do you want for your funeral? Do you want to be buried or cremated? What should happen to your organs after death? Establish these last wishes so that your family isn't left to make these decisions on their own.

10. CONSULT A PROFESSIONAL

An estate attorney or tax advisor can be extremely valuable in crafting an airtight estate plan, particularly if you're dealing with complicated instructions or a high volume of assets. They can help you navigate all the complexities and make sure your family is appropriately cared for.