



# A Primer for Estate Planning

Provided by Michael Albertson  
President  
TradeWell Tax & Financial



**TradeWell**<sup>™</sup>  
TAX & FINANCIAL



# A Primer for Estate Planning

*Things to check and double-check before you leave this world.*

Estate planning is a task that people tend to put off, as any discussion of “the end” tends to be off-putting. However, those who leave this world without their financial affairs in good order risk leaving their heirs some significant problems along with their legacies.

No matter what your age, here are some things you may want to accomplish this year with regard to estate planning.

- 1 Create a will if you don't have one.** Many people never get around to creating a will. A solid will drafted with the guidance of an estate planning attorney may cost you, but it may prove to be some of the best money you ever spend. A valid will may save your heirs from some expensive headaches linked to probate and ambiguity.
- 2 Complement your will with related documents.** Depending on your estate planning needs, this could include some kind of trust (or multiple trusts), durable financial and medical powers of attorney, a living will and other items.

You should know that a living will is not the same thing as a durable medical power of attorney. A living will can make your wishes known when it comes to life-prolonging medical treatments, and it takes the form of a directive. A durable medical power of attorney authorizes another party to make medical decisions for you (including end-of-life decisions) if you become incapacitated or otherwise unable to make these decisions. Again, an estate planning attorney can help you put these documents in place.

- 3 Review your beneficiary designations.** Who is the beneficiary of your IRA? How about your 401(k)? How about your annuity or life insurance policy? If your answer is along the lines of “Mm ... you know ... I'm pretty sure it's...” or “It's been a while since ...”, then be sure to check the documents and verify who the designated beneficiary is.

When it comes to retirement accounts and life insurance, many people don't know that beneficiary designations may take priority over bequests made in wills and living trusts, depending on state laws. If you long ago named a child now estranged from you as the beneficiary of your life insurance policy, he or she could receive the death benefit when you die - regardless of what your will states.<sup>1</sup> A local estate planning attorney can clarify state law regarding beneficiaries.

Time has a way of altering our beneficiary decisions. This is why some estate planners recommend that you review your beneficiaries every two years.

In some states, you can authorize transfer-on-death designations. This is a tactic against probate: TOD designations may permit the ownership transfer of securities (and in a few states, forms of real property, vehicles and other assets) immediately at your death to the person designated. TOD designations are sometimes referred to as “will substitutes” but they usually pertain only to securities.<sup>2</sup>

**4 Create asset and debt lists.** Does this sound like a lot of work? It may not be. You should provide your heirs with an asset and debt “map” they can follow should you pass away, so that they will be aware of the little details of your wealth.

*\* One list should detail your real property and personal property assets. It should list any real estate you own, and its worth; it should also list personal property items in your home, garage, backyard, warehouse, storage unit or small business that have notable monetary worth.*

*\* Another list should detail your bank and brokerage accounts, your retirement accounts, and any other forms of investment plus any insurance policies.*

*\* A third list should detail your credit card debts, your mortgage and/or HELOC, and any other outstanding consumer loans.*

**5 Think about consolidating your “stray” IRAs and bank accounts.** This could make one of your lists a little shorter. Consolidation means fewer account statements, less paperwork for your heirs and fewer administrative fees to bear.

**6 Let your heirs know the causes and charities that mean the most to you.** Have you ever seen the phrase, “In lieu of flowers, donations may be made to...” Well, perhaps you would like to suggest donations to this or that charity when you pass. Write down the associations you belong to and the organizations you support.

**7 Select a reliable executor.** Who have you chosen to administer your estate when the time comes? The choice may seem obvious, but consider a few factors. Is there a stark possibility that your named executor might die before you do? How well does he or she comprehend financial matters or the basic principles of estate planning? What if you change your mind about the way you want your assets distributed – can you easily communicate those wishes to that person?

Your executor should have copies of your will, forms of power of attorney, any kind of healthcare proxy or living will, and any trusts you create. In fact, any of your loved ones referenced in these documents should also receive copies of them.

**8 Talk to the professionals.** Do-it-yourself estate planning is not recommended, especially if your estate is complex enough to trigger financial, legal and emotional issues among your heirs upon your passing.

Many people have the idea that they don’t need an estate plan because their net worth is less than X dollars. Keep in mind, money isn’t the only reason for an estate plan. You may not be a multimillionaire yet, but if you own a business, have a blended family, have kids with special needs, worry about dementia, or can’t stand the thought of probate delays plus probate fees whittling away at assets you have amassed ... well, these are all good reasons to create and maintain an estate planning strategy. Be sure to consult an estate planning attorney and financial and tax professionals regarding your specific situation.



If you are concerned about protecting your legacy for your family, but unsure if you currently have the right measures in place, then give us a call and set up a meeting with our in-house attorney.

**If you would like discuss your financial estate goals then contact Michael at [mike@tradewellfinancial.com](mailto:mike@tradewellfinancial.com) or call him at 260.490.2084.**

*Mike Albertson is an Investment Advisor Representative of, and Securities are offered through USA Financial Securities. Member FINRA/SIPC. A Registered Investment Advisor. 6020 East Fulton Street Ada, MI 49301. Tradewell Tax & Financial and USA Financial Securities are not affiliated.*

©2017 TradeWell Tax & Financial. All Rights Reserved

This material was prepared by MarketingLibrary.Net Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. All information is believed to be from reliable sources; however we make no representation as to its completeness or accuracy. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Citations.

1 - [www.knoxnews.com/news/2012/may/07/retirement-accounts-not-governed-by-wills/](http://www.knoxnews.com/news/2012/may/07/retirement-accounts-not-governed-by-wills/) [5/7/12]

2 - [www.investopedia.com/university/estate-planning/estate-planning5.asp#axzz1vjRm6aPe](http://www.investopedia.com/university/estate-planning/estate-planning5.asp#axzz1vjRm6aPe) [3/20/13]