

Estate planning

# Getting organized in case of death

## Did you ever ask yourself, “What would happen to my family if I died last night?”

Did you know that if you haven't planned correctly for your estate at your death, your loved ones may be deprived of the things you worked so hard to achieve during your lifetime? Without basic estate planning, your most valued possessions: your home; savings and retirement accounts may be acquired by the state, delayed in probate court, or significantly reduced by taxes and debts.

You can protect your possessions and ensure they will be passed to the next generation in an efficient manner, without delay, confusion or financial loss.

### Here is a checklist to help you prepare, and to help your loved ones just in case:

- Do you have a will to specify how your assets will be distributed upon death?
- Do you have a durable power of attorney that names a person to have legal power to handle your property in case you become incapacitated?
- Do you have an advanced medical directive (“living will”) to provide instructions in the event of a terminal illness?
- Do you have a list of important information to assist your survivors?
  - Inventory of valuable assets — e.g., stocks, bonds, mutual funds, bank accounts, IRAs and 401(k) plans, retirement plans, life insurance, artwork and valuables, personal property, and real estate.
  - Location of important documents — Be sure you let your family know where to find the deeds, bank accounts, insurance policies, birth certificates, marriage certificate, divorce papers, death certificate of spouse, adoption papers, last will and testament, living will, durable health care power of attorney.
  - Burial and/or funeral plans — Does your family know of your prearrangements and final wishes? Your organ donation wishes?
  - Important contacts — Create a document that lists important contacts to help your family in case of any medical emergency or death (attorney, accountant, insurance agent, banker).
  - Safe deposit box location. Have you identified who can access your safe deposit box, and provided instructions for them to gain access?
- When was the last time you checked the ownership and beneficiary designations on your life insurance policies? Did you know that if the policy is personally owned by you that the insurance proceeds will be included in your taxable estate at your death? There are methods to help avoid this.
- When was the last time you verified the beneficiary designations on your qualified 401(k) and IRAs? Did you know that the gain realized in your 401(k) or IRA will be taxable to your beneficiaries? There are methods to help assure that these values are passed on to the next generation in a tax-efficient manner.

- If you own a business:
  - Do you have a plan to transfer the business at your death or incapacity?
  - How will business creditors be paid?
  - Have you prepared a formal business continuation plan to continue the business at your death, retirement or disability? Is the plan properly funded?
  - If there are other owners, what do they expect upon your death? What is the current fair market value of the business?
  
- Annual Gift Exclusions — Can you take advantage of annual gift exclusions to pass on wealth to your loved ones during your lifetime? Up to \$17,000/\$34,000 if married and making a joint gift in 2023, may be given to each recipient in one year, without payment of any federal gift tax.
  
- When was the last time you had a financial checkup that included an estate analysis?
  - You may be surprised to learn that when you add up everything — including your life insurance policies and retirement accounts — your assets may be subject to loss at your death due to probate and possible state and federal estate taxes.
  - Probate can delay the sale of property, such as your home. You can take steps to avoid those delays, and to enable your spouse or children to gain prompt access to assets if they wish to sell them after your death.
  - Without a complete and valid will, the presiding probate court will decide on the disposition of your assets. If this is a concern for you, make sure you obtain a will through a qualified attorney and that it is kept current with your final wishes on the disposition of your estate.
  - Contact your insurance professional for a complete financial checkup. He or she will work with your other trusted advisors, such as your attorney and accountant, to make sure you take advantage of the most tax effective methods to meet your final wishes.



**For more information, contact your financial representative.**

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