

# THE IMPORTANCE OF ESTATE PLANNING

Estate planning involves making provisions for the present and future management of your property and deciding how you want it distributed after your lifetime.

## Start with the Four Ps:

- **People.** Who would you like to provide for in your plans? You may wish to include charitable interests.
- **Property.** Make a list of what you own and any income it produces. Include investments, real estate, retirement plan funds and life insurance assets as well as personal property.
- **Plans.** Consider how you wish to provide for the people on your list. Study your property list carefully, matching the needs of each person.
- **Planners.** Your attorney, accountant, financial planner, bank trust officer, etc., can help you. Consider asking your most trusted advisor to help coordinate the process.

## Other considerations

Another popular way to distribute assets is with a **revocable living trust**. By naming yourself as the initial trustee of your living trust and then naming a successor trustee to manage the trust if you become unable to do so, your assets are managed during your lifetime and then distributed to your beneficiaries, avoiding probate. It is “revocable” because you retain the right to change the terms of the trust.

**Joint ownership arrangements** allow you to own property with others. At the end of one owner’s lifetime, the property passes outside of probate to the survivor.

A **power of attorney** lets you appoint someone to handle your financial affairs if you should be unable to do so. Many people also create a **living will**, which outlines their health care wishes.

It is important to review **beneficiary designations** of life insurance policies, IRAs and other retirement plans because your will and other plans may not affect their distribution.

## No plan?

If you don't make an estate plan, the state where you live has one for you. Your state's plan cannot:

- Provide for your heirs according to their individual needs.
- Take into account who you would have wanted to be the legal guardian of your minor children.
- Provide for special friends or even your charitable interests.

## What about charitable gifts?

After taking care of your family's financial well-being, you can make gifts from funds that remain. This can be accomplished through a bequest in your will, a trust gift or through a beneficiary designation.

## Learn more

There is no time like the present when it comes to creating or updating your estate plan. We will be pleased to help you and your advisors as you consider the charitable dimension of your plan.