

Some Reasons Why You Need to Create or Update Your Estate Plan Today!

by Mary Gutheil Anderson, Legacy Plan Consulting

Personal Reasons

1. You are alive.
2. You want to designate who will handle your affairs upon your death and prevent or discourage any challenges to your estate plan.
3. You want to choose your trustees and beneficiaries yourself.
4. You have recently moved to this state and need to conform your estate plan to state law.
5. You believe that changes in current federal or state laws might affect your estate plan.

Medical Reasons

1. You have recently been diagnosed with a serious medical condition.
2. You are scheduled to have major surgery.
3. You would like to designate who will manage your affairs if you become disabled.
4. You want to plan for Medicaid and its impact upon your estate if you go into a nursing home.
5. You want to avoid conservatorship and guardianship if you become incapacitated.

Family Reasons

1. You want to be prepared if and when you choose to marry, separate, divorce, remarry or are widowed.
2. You may need to update your estate plan if any of your beneficiaries die, becomes incapacitated, moves to a different state or your relationship with the person changes significantly or if there are any additions to your family or the families of your heirs.
3. You must also make changes if your executor dies, becomes incapacitated, moves to a different state or your relationship with the person changes significantly.
4. You want to protect a portion of your estate if you pass away first and your surviving spouse remarries.
5. You want to insure that a specific portion of your estate actually gets to grandchildren, charities, or other beneficiaries.
6. You want to address the different needs of each of your children separately and/or other beneficiaries.
7. You want to assure that a stepparent doesn't spend your children's inheritance and/or provide for a surviving spouse without sacrificing the intended legacy for children of a prior marriage.

8. You have minor children, children from a prior marriage, stepchildren or have children or grandchildren out-of-wedlock.

9. You want to provide for special needs children or other beneficiaries and assure an education for children/grandchildren, despite what they (or their parents) dream of doing with the inheritance.

10. You would like to give guidance to the children or other beneficiaries who may not be capable or experienced in managing assets.

11. You have a family member(s) with a substance abuse issues, serious mental illness or credit problems.

Financial Reasons~Asset Management

1. You want to designate who will receive your assets, and under what conditions, upon your death now.

2. You own personal or real property and have assets over \$1 million.

3. You need or want to control the ages or conditions under which your heirs inherit any assets you may have.

4. You want to protect the assets inherited by your heirs from lawsuits, divorces and other claims.

Taxation Issues

1. You want to minimize or avoid death taxes.

2. You want to minimize or avoid capital gains taxes.

3. Avoiding probate upon your death.

4. Reduce the burden to others in handling your financial affairs upon incapacity or death.

Business Challenges

1. You anticipate a public offering or significant inheritance.

2. You are ready to design a succession plan for a family owned business.

Creating Your Legacy

1. You want to create a non-profit foundation in honor of a certain cause.

2. Preserve and share your values, life experience, family history and more.

3. Plan your funeral, burial and final days with your loved ones.

Every Estate Plan Must Include the Following Documents:

1. Will.

2. Health Care Directive & Power of Attorney.

3. Living Will.

4. Durable Power of Attorney.

5. Depending on you and your family's situation, a complete estate plan might also include the following:

- Revocable Living Trust
- Irrevocable Life Insurance Trust
- Special Needs Trust
- Family Limited Partnership
- Charitable Remainder Trust
- Qualified Domestic Trust
- Pre-Nuptial Agreement
- Community Property/Separate Property/Agreement
- Beneficiary Deed

This article was written by Mary G. Anderson, the owner of *Legacy Plan Consulting*, a company dedicated to providing a variety of seminars, services and products to inspire, support and educate others on how to create an end-of-life plan which includes a legal plan, financial plan, last wishes and legacy plan to reflect the unique voice of each client. C2008 maryg.anderson