

A gift that keeps giving

Leave a legacy that reflects all aspects of your life

In many ways, legacy planning is really about love, about making sure the people you care about most are taken care of – financially and emotionally. You see, real wealth doesn't just come in dollars and cents; it's enriched by the memories, stories, traditions, values, wisdom, lessons and laughter you share with your family. For too many, legacy planning focuses solely on the transfer of assets and legal documentation, which generally fall under the estate planning umbrella. While all of that is very important, there should be a more personal aspect to the process. After all, we're talking about your life and how you'll be remembered.

Creating a legacy that reflects your whole life – who you are and what

you've accomplished – doesn't have to be a morbid task. On the contrary, it can be life-affirming to share your ideals and wealth with the next generation. And you need not wait until the end of your life to do so. You can begin to establish your legacy whenever you like. In fact, starting early gives you time to figure out how you want to shape and strengthen your legacy to your family and your community. Like most gifts, it's the time and thought that goes into them that proves most rewarding – for you as well as the recipients.

The gift of knowledge

As we said before, legacy planning is not just about the smooth transfer of assets; it's also about conveying the life lessons you've learned to the next

generation and entrusting them to use that knowledge – and money – wisely.

Your stories, traditions, beliefs and values need not be taken to the grave. These are things that make you who you are and should be shared with your children and grandchildren while you're living. As you spend time with those you love, be sure to share stories of moments and people that mattered to you and causes you championed.

Many people have embraced the idea of documenting their spiritual and religious beliefs, life philosophy, worldview and wisdom in a video or love letter to their family. Doing so

One of the greatest rewards of wealth is being able to share it with others

can help you organize your thoughts so you can be sure you've communicated everything you want to share. However you decide to share this part of yourself, be sure to also impart life lessons you've learned about spending, saving and helping others. That way those you leave behind can continue the journey you've started.

The gift of goodwill

Giving to others often adds meaning to our lives and offers a chance for each of us to shape the way the world remembers us after we've gone. But your work on behalf of others can go on. One way to do that is to encourage your family to carry on your philanthropic legacy. Even the youngest can get involved.

Children who see you giving and serving are likely to do the same, even if their interests don't exactly align with yours. You may support the arts, while the youngster may be more interested in making sure an underprivileged kid can play

Leaving money to charity gives a sense of personal satisfaction, and it can save money in estate taxes with careful planning. Your financial advisor can offer guidance as to which charitable vehicles – and there are many with different features and benefits – can help you best achieve your legacy goals.

Elements of legacy planning

Legacy and estate planning go beyond drawing up a will. Many of the items below should be clearly documented for your heirs.

- Will, including detailed list of personal property and who inherits, particularly critical in cases of blended families
- Living will
- Living or testamentary trust power of attorney
- Account titling and beneficiary designation
- Transfer on death agreements
- Family love letter and letter of instructions – include important financial and personal details, from your worldview to end-of-life requests
- Durable power of attorney
- Online account usernames and passwords
- Charitable vehicles and family trusts
- Insurance
- Education funds

soccer. Little philanthropists often care about helping other children or cuddly animals. Regardless, take the time now to nurture any interest the child expresses, and expose them to all types of charitable endeavors appropriate to their age. As you share this gift of generosity, encourage some discipline to help them see the benefits of wealth and how donating time and money can create positive change in the world.

The gift of financial security

Legacy planning also includes more traditional estate planning – the legal documentation that focuses

on the accumulation, preservation and distribution of your assets and possessions. The goal here is to transfer assets smoothly and protect the estate from probate and extensive taxation. When properly done, a comprehensive estate plan that includes wills, trusts and other legal tools can help safeguard your estate and your business as well as provide for the financial well-being of your family.

Everyone should start with a will, even if you don't come close to exceeding the federal estate tax limit (\$5.34 million for 2014). A will is the cornerstone of any estate plan –

no matter what tax bracket you're in – and can help ensure your assets transfer smoothly after you pass away.

A well-drafted will has a number of other purposes, too, including specifying who is in charge of making decisions; establishing trusts for heirs who may lack the ability to properly manage inherited assets; outlining the care of any minor children; and minimizing state and federal estate taxes. The ultimate goal, of course, is to make sure your loved ones receive as much of your wealth as possible and have less to deal with during a time of grief.

You've worked long and hard for what you do have, so you should put some effort into spelling out your wishes for your loved ones, and you'll need to be specific. Let's say you have two siblings and your widowed mother intends for you to inherit equally, but your brother passes away before you and your sister do. Unless your mom changed her will to include your brother's family, only you and your sister will inherit. Problems could also arise if the beneficiaries are minors at the time of inheritance. You may want to explore if the assets should be placed in a trust until certain conditions are met.

Aside from dictating who will receive an inheritance and what they'll receive, your will should also name an executor to oversee the distribution of assets. You'll also want to name a guardian for your minor children. A qualified estate attorney can help you draft language to ensure your intentions are clear,

but not so rigid as to be difficult to amend if the law or your family circumstances change.

The gift of flexibility

No estate plan should be so inflexible that it cannot change when your life changes. There are certain times when you'll want to review, and potentially revise, the relevant documents. Typically, these will coincide with major milestones that occur.

Who needs an estate plan?

The short answer is everyone.

An estate plan reflects the way you want your personal and financial affairs to be handled in case of your incapacity or death. You don't have to be rich either. Estate planning is particularly important for parents of minor children; property and business owners; those who would prefer to keep money matters private; and those with a history of poor health.

Marriage and divorce, of course, can greatly affect your plans. As you blend or dissolve property and families, you'll want to review the titling and beneficiaries on your retirement, bank and brokerage accounts, insurance policies and any wills or trusts. If not, the beneficiary designations generally will trump whatever is outlined in your will. In the case of divorce, emotions can run high, so it may be especially important to enlist the help of cool-

headed third parties like an attorney and other specialists.


Welcoming a new addition to the family changes things, too. Parents will need to consider who will be the child's physical and financial guardians, and grandparents may want to consider gifts and educational funding strategies.

Incapacitation or illness should also bring your legacy planning priorities into sharper focus. Your health and wealth depend on establishing clear instructions.

Inheriting money could also impact your estate plan, particularly if the bequest is significant enough to come with extra tax liabilities. You'll want to discuss your options with a qualified accountant before making any decisions.

Milestones such as retirement should also trigger a review of your plan. As you get older, you should have a clearer idea of your income and expenses, as well as what you'll have leftover to pass along to your heirs.

A gift that will be treasured forever

Creating a lasting legacy is so much more than bestowing financial gifts to those you love. It's clearly communicating your thoughts, feelings, traditions and values – even the way you think about money – to the next generation. Working with trusted financial, tax and legal advisors to get the details right can help you ease any confusion or conflict that may arise for your survivors. And that is truly a legacy based on love. 

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