



Leslie Dix-Kwiatek, AAMS, WMS

Wealth Management Specialist

Financial Advisor

904-348-5403 // leslie.dix@raymondjames.com

www.brannamwealth.com

The Importance of Estate Planning

As the saying goes, “Nothing is certain except death and taxes”. Estate planning has to do with both and is very important if you want to avoid probate and paying some unnecessary taxes upon your death. This also allows you to pass your wealth on to loved ones based on your wishes. Given that these are two certainties in life, it is better to have a plan in place sooner than later as today is a blessing and tomorrow is not promised. I help my clients not only with their financial plans leading up to retirement and the distribution phase through retirement, but also the planning beyond life. I develop an all-encompassing plan by asking the right questions and insuring you have help and guidance to seek out a reputable estate planning attorney to complete the estate planning piece of your overall financial plan. In addition, I also address your beneficiary designations to insure they are in place both with your investment accounts with me and your personal checking or savings account held at your bank. Beneficiary designations are not just for retirement accounts. I explain the different types of beneficiary designations later in the article that are important in order to insure you pass along your wealth to your loved ones.

We all procrastinate, especially on items that may not be fun and at times uncomfortable to think about or talk about with your loved ones. It is ideal to have these items in place ahead of time so when that unfortunate day comes, your loved ones are prepared, less stressed, and taken care of. Estate planning is important for everyone, not just the wealthy. Having a plan in place can also make your wishes clear and avoid family arguments or worse, court battles. An estate planning attorney can speak further to you about the importance of having a Will, Power of Attorney (POA), and Health Care Directives in place while helping you implement your plan. They may also go over the importance of planning for your incapacitation as well. It is necessary to have these documents in place to insure your assets can be accessed for your benefit if you are unable to take care of yourself. Depending on your personalized situation, a trust may be needed to give you the most tax benefit and control of what happens with your assets while you are living and upon your passing. Below I have listed more information about each tool used to aid in your overall estate plan.

- Will- This documents ensures your estate is distributed according to an individual's wishes. It can help cut down on family arguments as the individual's wishes are clearly stated in a legal document of who they want to benefit and who they do not want to benefit. It does not allow you to avoid probate like a trust often can. A Will also becomes public record.
- Durable Power of Attorney (POA): This document allows you to designate a person to act on your behalf on financial matters and access your accounts upon your incapacitation. The POA is only valid while the individual is alive and becomes voided upon death. The POA can be helpful as we age and need more help. It is important to note that you want to insure the person you designate as your POA is a trusted person that will act in your best interest.
- Health Care Advance Directives: These documents are important so that your family and the medical professionals know what your wishes are and who you want making your health care decisions if you are unable to do so. It also establishes who legally can access your health care information and states what life prolonging procedures you want if certain crisis situations occur.
- Living Trust – There are many types of trust that accomplish different wishes. A living trust is revocable, meaning you can change it, and gives you the ability to control what happens with your assets beyond your death or incapacitation as well as avoiding probate. You can be the trustee on the living trust and also have a successor trustee listed in the event you become incapacitated. Unlike a will, a trust allows you to keep your assets private and not of public record.

In addition to the above estate planning documents, it is necessary to make sure all of your accounts are set up properly to avoid probate and go to the loved one of your choice. All retirement accounts have beneficiaries listed. Make sure you have a beneficiary listed, otherwise it goes to your estate. Any taxable/non-retirement account has the ability to add what is called a (TOD) Transfer on Death. This document aids in adding a beneficiary to a non-retirement account so that the assets go directly to your beneficiaries and not through probate upon your death. TOD accounts can be added to any checking account, savings account, or brokerage account. There is also the option of a Lady Bird Deed which can be added to a home to essentially allow the home to pass to the selected beneficiary and avoid probate upon the owner's death. The Lady Bird Deed would typically be used in a single situation rather than a married joint situation. As always, feel free to reach out to me if you have any financial planning needs or questions.

Check out the below links on revocable and irrevocable trust- facts to know.

<https://www.thinkadvisor.com/2020/12/16/10-facts-to-know-about-irrevocable-trusts/>

<https://www.thinkadvisor.com/2020/12/03/10-facts-to-know-about-revocable-trusts/>