

# Take care of what matters.

Estate Planning



## What we'll discuss today:

1. How your estate would be distributed today.
2. What you care most about and what dreams you want to bring to life.
3. Your current financial situation.
4. Estate planning strategies that may benefit you.
5. A plan for creating the legacy you desire.

## Why create an estate plan?

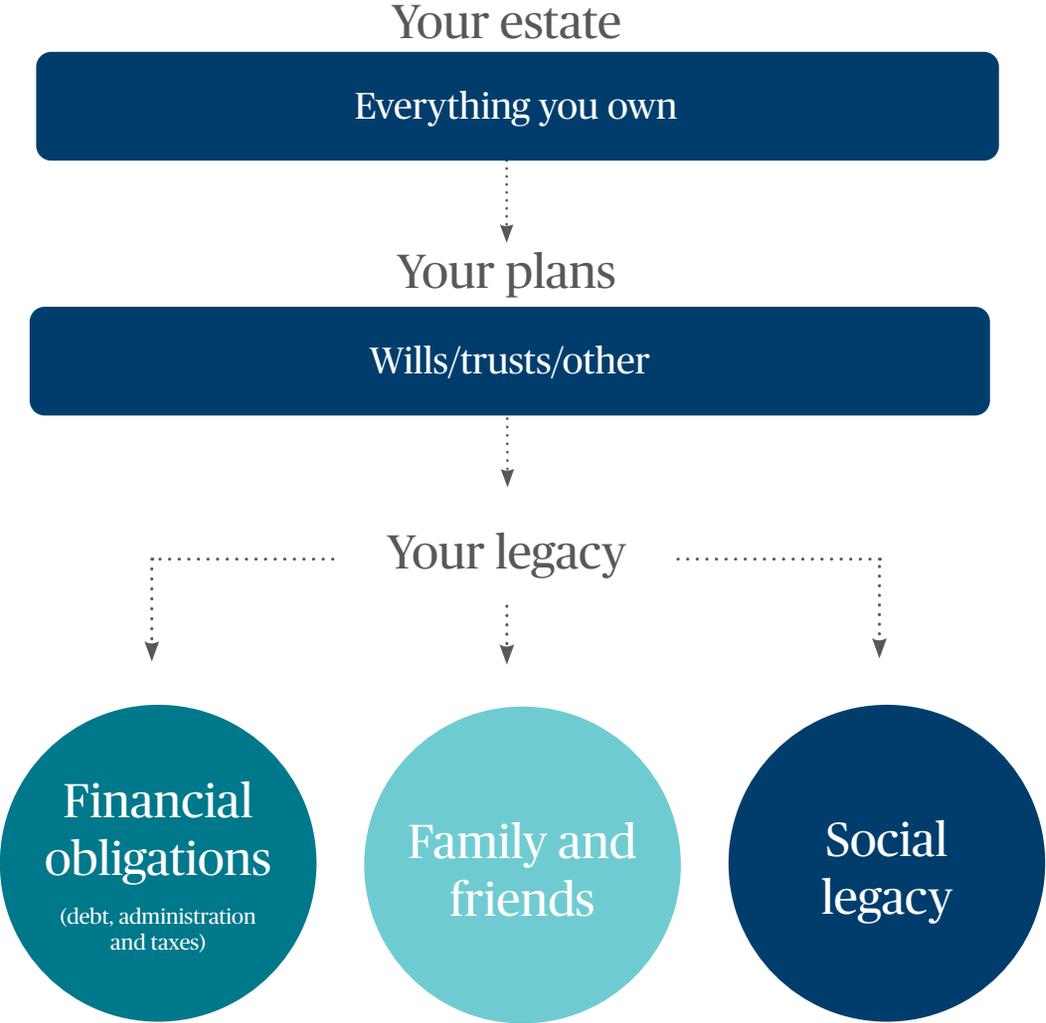
Creating an estate plan can help ensure your assets go to the individuals and organizations most important to you. A solid plan can also help:

- Efficiently and effectively transfer your wealth.
- Provide financial stability and reassurance to your surviving spouse and children, regardless of their ages.
- Protect your assets for future generations.
- Ensure the succession of a family-owned or other small business.
- Ensure your wishes are carried out as you intended.

Without a plan, your state of residence will determine how to distribute your assets when you die. There may also be higher estate taxes and final expenses, delays, legal problems, and other issues. To help reduce the uncertainty and turmoil your family experiences following your death, think about the legacy you want to leave and then take steps to make your financial goals a reality.

Your estate may be larger than you think. It includes all of your assets – your money, investments, property and any personal belongings.

# How your estate plan works.





“I want to pay off my home loans for my family.”

# How would your estate be distributed today?

Identify which of the four scenarios is closest to yours.

1.



2.



3.



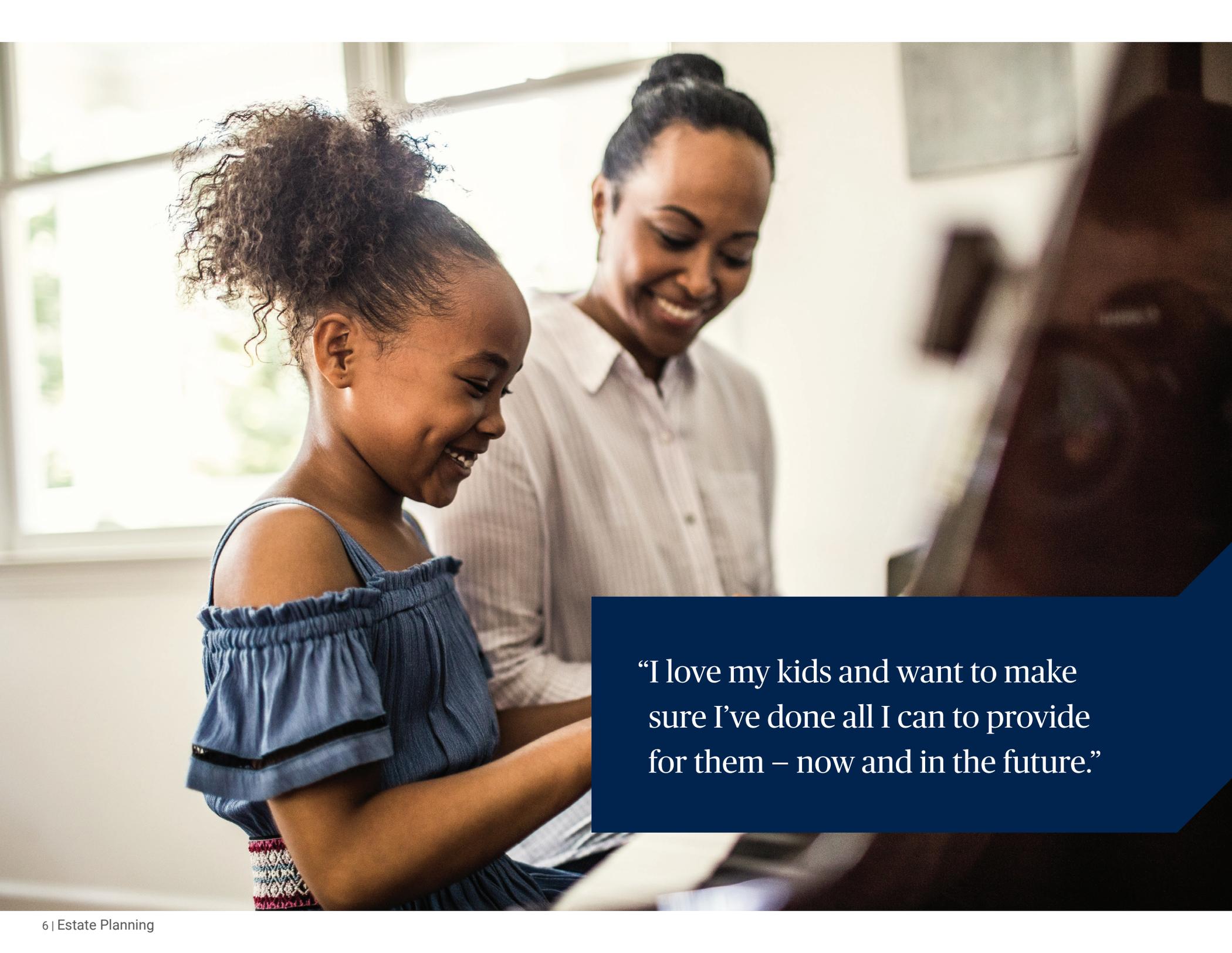
4.



# Bring dreams to life.

Suppose...you had more time or money. What would you do? What kind of legacy do you dream of creating? What is important to you?

What do you care most about?	More Important	←-----→	Less Important
I care about my family.	1	2	3
I value and support higher education.	1	2	3
My faith means a great deal to me.	1	2	3
I want to share my passion for ..... ..... with others.	1	2	3
I care about making my community a better place.	1	2	3
I feel strongly about protecting the environment for future generations.	1	2	3
I value providing high-quality health care to those in need.	1	2	3
I want to make a difference to the ..... ..... organization.	1	2	3
Other: ..... .....	1	2	3



“I love my kids and want to make sure I’ve done all I can to provide for them – now and in the future.”

# What are your estate planning goals?

## Pay off financial obligations

- Mortgage
- Home Equity Loans
- Funeral/final expenses
- Other financial obligations and debts
- Other: .....

## Leave an inheritance for family and friends

- Maintain current lifestyle/replace income for family
- Fund education for children/grandchildren
- Cover potential financial emergencies
- Help secure the financial future of family members
- Promote business continuity
- Provide child care
- Fund parental care, or care for dependents with special needs
- Reduce potential income- and death-tax liabilities
- Other: .....

## Create your social legacy

- Religious or spiritual organizations
- Community organizations
- Educational institutions
- Arts organizations
- Social causes
- Medical research
- Other: .....

# What is your current financial picture?

Use this worksheet to see where you are today.

Everything you own	
Cash/liquid assets	+
Personal property	+
Nonqualified assets	+
Qualified assets	+
Business assets	+
Real estate	+
Other assets	+
<b>Total assets</b>	<b>=</b>

Life insurance	
Group	+
Individual	+
Other	+
<b>Total life insurance</b>	<b>=</b>
<b>Total available</b> <i>(Total assets + Total insurance)</i>	<b>=</b>

What you owe	
<b>Creditors</b>	
Mortgage	+
Credit cards	+
Home equity loan	+
Car loan	+
Business loan	+
Other	+
Probate/administrative expenses <i>(typically 1% to 10% of total assets)</i>	+
<b>Taxes</b>	
Final income taxes	+
Federal estate taxes	+
State death taxes	+
<b>Total you owe</b>	<b>=</b>

Your financial legacy	
Total available	+
Total you owe	-
<b>Your financial legacy</b>	<b>=</b>
Inheritance for family and friends	
Social legacy	



“I’d like my contributions to charitable organizations to continue even after I’m gone.”

# What estate planning tools may be right for you?

## Financial obligations

- Cash
- Selling investments and/or real estate
- Lines of credit
- Life insurance
- Irrevocable life insurance trusts

## Family and friends

- Will
- Living trust
- Lifetime gifting
- Marital deduction
- Applicable exclusion amount
- Trusts
- Beneficiary designations
- Ownership arrangements
- Life insurance

## Social legacy

- Will
- Charitable gifts
- Charitable trusts
- Beneficiary designations
- Ownership arrangements
- Life insurance

# Are you managing your assets effectively?

As you work with your financial, tax and legal advisers, make sure you structure your estate plan to help you achieve your wealth transfer goals in the most cost- and tax-efficient ways. Also, take time to make sure you are leveraging the benefits of all your assets and other investments.

One often underused asset is life insurance. In addition to a death benefit, it may offer other estate planning opportunities. Take time to review your existing life insurance to ensure you have the right amount, type of coverage, and ownership and beneficiary designations based on your estate planning goals and financial situation.

## Ways insurance protection may enhance your estate plan:

### **Strengthen your estate**

- Meet a survivor need
- Provide for family and/or friends
- Leave a charitable gift
- Create an estate where none existed

### **Balance your estate**

- Solve business-related issues
- Distribute real estate
- Account for other personal property
- Provide parity for lifetime gifts

### **Provide liquidity**

- Pay final expenses and debts without selling assets
- Create funds to pay state or federal estate or death taxes

### **Replace wealth**

- Leave qualified plan to charity
- Establish funded charitable vehicle
- Replace assets lost to taxes

# Where do you want to be?

Envision how you'd like to change your legacy.

1.



2.



3.



4.



# Make your estate planning goals a reality.

## Your next steps:

- Gather additional information on your:**
  - Financial obligations and debt
  - Financial assets
  - Real estate
  - Life insurance policies
- Store your important documents in a safe place**
- Create a list of important documents and their location**
- Review and update ownership and beneficiary designations**
  - Insurance policies
  - Investments
  - Qualified retirement plans
- Review ownership of property**
- Establish or review buy-sell agreement for business**
- Meet with attorney to draft/review all necessary legal documents**
  - Wills, trusts, financial and medical powers of attorney, living will, etc.
- If you have an unmet life insurance need, begin the underwriting process**
- Discuss your plans with your family and let them know your intentions**

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