

COMMON ESTATE PLANNING PITFALLS



Settlement Delays

Settling any estate can be time-consuming, but an ambiguous plan is an extra burden on loved ones.

BEST PRACTICES

- Spell out your desires clearly and document them in writing
- Prepare for the potential of being unable to handle your own affairs
- Consider carefully who is assigned fiduciary duties, such as executor or trustee

BENEFITS

- Clear direction
- Efficient distributions
- Managed risk



Family Dynamics Issues

While there is always the potential for disharmony in a family, times of crisis are especially trying.

BEST PRACTICES

- Involve your family in the estate planning process
- Discuss your planning intentions with beneficiaries and others who may be impacted
- Understand the time and skill set required of those you appoint to fiduciary roles

BENEFITS

- Knowledge of your desires and intent
- Multigenerational involvement
- Culture of trust for your family



Unnecessary Tax Liability

Failure to properly structure your plan can lead to a less than efficient transfer of assets.

BEST PRACTICES

- Engage a well credentialed and experienced attorney and fiduciary to build your plan
- Compare tax outcomes from multiple scenarios
- Review your plan annually and adapt it as your circumstances change

BENEFITS

- Maximum impact to beneficiaries
- Long-term approach
- Goals-based outcomes



Lack of a Contingency Plan

If you are no longer able to make decisions on your own, who will be authorized to make them for you?

BEST PRACTICES

- Name a contingent trustee (individual or corporation) if you are incapacitated
- Choose someone you know is willing to serve and who will avoid potential conflicts of interest

BENEFITS

- Helps protect your financial security
- Continuity
- Provides comfort that your wishes are followed

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