



Understanding



# Now is the best time to plan your estate



You may not want to do it. But when estate planning is ignored or postponed, it can create unforeseen problems for you and your loved ones. **Here are some of the issues that should concern you:**

- The “wrong” person or persons could receive your personal possessions and other assets.
- Taxes could reduce the size of the estate you wish to pass on.
- Your minor children’s future could be decided by a court.
- A court may have to make life or death medical decisions on your behalf.
- You may have no say over the management of your assets if you were to become incapacitated.

By crafting a will and taking other estate planning steps, you can help minimize the likelihood that any of these issues could create a problem down the road. **Here are steps you need to consider.**

## ① Start with a will

The foundation of all estate planning is a will. In your will, you specify who will receive your assets and when they are to receive them. Since you may not want certain heirs to receive assets at a time when they are too immature or inexperienced to manage their inheritance well, you can also impose conditions that a beneficiary must meet in order to receive the assets.

A will can also name a guardian for your minor children if neither parent survives. Just be sure to confirm that the person you choose would be willing to serve as guardian.

**Once you have a will, you’ll want to review it periodically.** Updates may be necessary, especially if there have been tax law changes or recent births, deaths, or divorces in your family.

## ② Consider other important legal documents

A durable power of attorney for health care, also known as a health care proxy, is a legal document that names a person who can make medical decisions on your behalf if you are unable to make those decisions yourself. A living will is another contingency arrangement that specifies what type of medical care you will accept or refuse as it relates to life-sustaining treatments. If you don’t have these documents, give some thought to having them drawn up.

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### ③ Review beneficiary designations

Check that your beneficiary designations are up to date. Review your life insurance policies and retirement plan accounts to ensure that those you have named as beneficiaries are still the people you want to receive the benefits.

### ④ Look into trusts

The taxing authorities may receive a portion of your estate in the form of estate and income taxes. If you have substantial assets, you need an estate plan that considers all options for minimizing taxes on the assets you intend to leave to your beneficiaries. There are various trusts that can help achieve these objectives.

Different types of trusts can also help you support a college, church, museum, food bank, or other charitable undertaking close to your heart.

### Talk to a financial professional

If you want assistance with determining how best to ensure that your wishes for your assets are carried out in the most effective way, a conversation with a financial professional may be of help.



If you have questions about your workplace retirement plan, please contact your Human Resources department or your retirement plan provider's customer service center.

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