

An Estate Plan or a Wealth Transfer Strategy?

Basic estate planning documents may not communicate your intentions.

Provided by The William Newby Agency

There are three degrees of estate planning: advanced, basic, and none at all. Basic is better than none, but elementary estate planning can still leave something to be desired. While appropriate documents may be in place, they may not be able to fully convey what you really want to do with your estate.

Have you communicated your wishes to your heirs, in writing? Cut-and-dried, boilerplate legal forms will hardly do this for you.

In a wealth transfer strategy (as opposed to a basic, generic estate plan), you share your values and goals in addition to your assets. You hand down your wealth with purpose, noting to your beneficiaries and heirs what should be done with it. You also let them know how long the transfer of assets may take. This way, expectations are set, and you reduce the risk of your beneficiaries and heirs being unpleasantly surprised.

Are your heirs prepared to inherit your wealth? Prepare them as best you can during your lifetime. Introduce them to the financial, tax, and insurance professionals who have helped you through the years; they should know how to contact these professionals, and they should value their wisdom.

Explain the “why” of your estate planning decisions. For example, if you intend to transfer assets to heirs or charity through a living trust, a charitable remainder trust, or a qualified charitable distribution from an IRA, share the logic behind the move.

Also, let your heirs know that your wealth transfer strategy is dynamic. It can change. Five or ten years from now, you may have more or less wealth than you currently do, and life events may come along and prompt changes to your estate planning documents. Speaking of communication, this leads to a third, important aspect of a wealth transfer strategy.

Have you double-checked things? Look at your beneficiary forms and other estate planning documents. Are they up to date?

When a beneficiary form is out of date, it can invite problems – because legally, the instructions on a beneficiary form can overrule a will bequest. What if the named beneficiary is dead, and the contingent beneficiary is dead as well? What if your named beneficiary is estranged or divorced from you? In such instances, the asset may not transfer to whom you wish after you pass away. Looking at the wealth transfer process from another angle, you also want to make sure you have an executor who is of sound mind and who has the potential to remain lucid and reasonably healthy for years to come.¹

A basic estate plan is better than procrastination. A *bona fide* wealth transfer strategy is even better. Involving your heirs in its creation, refinement, and implementation may help you guide your wealth into the future in accordance with your goals.

Follow us on Facebook @wnewbyagency
Connect with us on LinkedIn: Bill Newby

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Citations

1 - thebalance.com/why-beneficiary-designations-override-your-will-2388824 [8/28/17]