

# Basics of estate planning

A carefully prepared estate plan will allow you to achieve many goals. Ensure the financial security of your spouse; determine what should be left to the children and how their inheritances should be handled if they are young; dispose of the family business; minimize the effects of taxes on your estate; empower a reliable executor and trustee to invest and manage the assets in your estate.

## **The need for planning**

By having a will, which is the basic estate planning tool, you can prevent two costly mistakes: lack of experienced management assistance for your family and the possible loss of thousands of dollars through needless taxation on your estate.

But effective estate planning often requires more than a will. Life insurance proceeds, for example, usually are not governed by the terms of a will. Neither are benefits payable from retirement plans.

Yet such assets loom large in many estates. Your planning should encompass all the financial resources that can be used to attain your goals.

## **A sound foundation for your plan**

Comprehensive estate planning demands teamwork. With you at the helm, our estate planning specialists can help you and your attorney design a plan to fulfill your objectives.

Together we shall go through a series of important steps:

- Obtain the necessary personal data about yourself and your family.
- Help prepare a balance sheet of your assets and liabilities.
- Assist with the review of your will and any existing trusts.
- Evaluate your estate tax options, such as the best method of disposing of your share of community property—taking into account the unlimited marital deduction and the use of tax-sheltered trusts.
  - Consider the best way to distribute your retirement plan benefits.
  - Compute potential estate, gift and income tax liabilities, advising on the most practical and economic solutions.
  - Determine the availability of liquid assets to meet potential estate expenses and taxes.

## **Strategy for wise decisions**

From this analysis a plan will emerge. It may involve changing your will and naming us to settle your estate. It may involve suggestions for tax savings through the use of trusts, an adjustment in life insurance coverage, a program of lifetime giving. It even may result in suggestions for the orderly transition of the family business from one generation to the next.

Effective estate planning requires teamwork. We will work closely with you and your other advisers to help develop the best estate plan for you and your family.

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Any developments occurring after January 1, 2009, are not reflected in this article.