

IN THIS ISSUE: Estate Planning Fundamentals



Many individuals put off planning their estate. For some, this is due to the misconception that estate planning is only necessary for the wealthy or only involves tax planning, which can be done "later". For others, it's because they simply have a difficult time contemplating their own death—a perfectly natural reaction. Yet, it is important to recognize that regardless of these issues, solidifying the future is probably high on your your lists of priorities. That's why a well-structured estate plan is invaluable. Through it, you can control the distribution of your assets and possessions during your lifetime and after your death, as well as name guardians for your children or plan care for other dependents.

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Getting Started

The first step in developing an estate plan should be to assemble a competent, professional estate planning team. For some, this initial step is a difficult one, because it requires you to share your personal thoughts, fears, wishes, and financial affairs with others. Therefore, it is often comforting to incorporate

at least one trusted professional, regardless of his or her area of specialization, in the estate planning process. Certainly, an attorney will play an instrumental role in preparing any necessary legal documents. However, a financial professional, bank trust officer, insurance agent, or accountant may also need to become involved.

Generally, the size and complexity of an estate, as well as the existence of an established relationship with an advisor, will dictate the overall involvement and/or need for additional professional expertise or emotional support.

Initially, the estate planning team will focus on your current financial positions. This is a very important part of the estate planning process, because you need to know where you stand today in order to accurately plan for the future. For this reason, you will need to gather any and all materials involving current or future income, property ownership, insurance, and legal arrangements already in place. Be prepared to divulge a good amount of private information, it will be a necessary part of the estate planning process. An

analysis can begin once this information has been assembled. This will allow you to take a closer look at your families' needs.

CHECKLIST: WHAT INFORMATION YOU WILL NEED FOR AN ESTATE PLANNING MEETING

- Current income from employment and all investments.
- Investment documents, certificates, statements, passbooks, etc.
- All retirement benefits: Social Security (including survivors' benefits), Individual Retirement Accounts (IRAs), pension and profit sharing plans.
- Any expected deferred compensation.
- Deeds to primary and vacation residences.
- Life insurance policies of which you are the owner, the insured, or the beneficiary.
- A list of all personal property.
- Current and expected debts and obligations, including mortgage and loan balances, real estate liens, taxes payable, consumer debts, and estimates of funeral costs and estate settlement expenses.
- Your Will.
- Trust agreements, if any.

Keep an Open Mind

The careful planning of an estate requires you to share a lot of personal and financial information with one or more professional advisors. An accurate financial and personal portrait is important to accomplish estate planning goals and objectives. In addition, while most of the initial time will be spent creating your first estate plan, the circumstances—both personal and financial—are bound to change over time. Therefore, an estate plan will need to evolve so it will continue to address your needs and wishes.

By keeping an open mind and placing trust in a competent advisory team, you can help ensure that your wishes for asset control and distribution will fall nothing short of your expectations.

IMPORTANT QUESTIONS TO ASK YOURSELF

How will my family's overall cost of living requirements change in the years ahead?

Who will take care of my minor children if something happens to me?

Who will make medical and financial decisions on my behalf if you become incapacitated due to illness or injury?

What are the estimated educational expenses when my children reaches college age?

Is there a family member who needs special care or medical attention?

Am I aware of how estate taxes will affect my assets as they are currently held?

Call today to speak with a representative and make sure that you estate planning needs are taken care of!

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