

Strategies

A RESOURCE FOR THOUGHTFUL PLANNING

October 21 - 27, 2024 is National Estate Planning Awareness Week. Established in 2008, through the U.S. House of Representatives, the goal of this designation is to remind the public that estate planning is an essential part of overall financial wellness. A proper estate plan ensures that your intentions for family, other loved ones, and perhaps your favorite charities are properly met.



2/3

OF AMERICANS

do not have any type of estate planning document.

64%

OF AMERICANS

think having a will is important, yet only 34% of Americans have an estate plan.

PROCRASTINATION IS THE MAIN REASON

people say they don't have a will.

FAST FACTS*

Getting Started

5 STEPS TO BEGIN YOUR ESTATE PLANNING



STEP ONE

Inventory your assets.

Compile a list of all of your assets and their value. Once you've got it all organized you can start thinking about what to do with it.



STEP TWO

Think about your priorities.

Before you get down to the specifics of planning, consider your priorities and goals. What are you looking to achieve?



STEP THREE

Identify your beneficiaries.

Make a list of the individuals and organizations that you want to provide for in your estate plan. Note any conditions that might determine the method and circumstances.



STEP FOUR

Call a family meeting.

If applicable, work closely with your spouse from the beginning.

Coordinating plans between spouses often leads to additional savings for your estate. You may also want a meeting to discuss your plans with children or other family members.



STEP FIVE

Seek professional assistance.

Even if you only need a simple will, it is advisable to seek the help of a qualified attorney and, as needed, other professional advisors.

Professional guidance is most often a worthy investment to ensuring a proper plan.

Impact the Future of [Name/Mission] WITH ONE SENTENCE

If you are passionate about [Mission] in our community or perhaps are grateful for the care/education/etc. that you or a loved one received, you may wish to consider including [Name] in your will. Known as a bequest, this forward-thinking gift has several advantages.



- **It's Simple.** Typically all it takes is one sentence in your will or trust.
- **It's Versatile.** You can leave a specific dollar amount, a percentage of your estate, or the remainder of your estate after providing for your loved ones.
- **No Immediate Cost.** Your gift will not affect your current cash flow and always allows you to maintain control of your assets.
- **Specific Impact.** Your gift can be designated to a specific area of interest or need at our nonprofit. Or, you can let us decide how best to use it..
- **Flexibility.** You can adjust or even cancel your gift if circumstances change.

ALREADY HAVE A WILL?

A will, even in a basic form, is the most essential part of estate planning. But it doesn't end there.

Other key points to consider:

- Do you review your will annually to account for births, marriages, divorces, other life changes?
- Does a loved one know where your will, advance directives, and other important documents are kept? Are they in a safe location and well-organized?
- Have you named (and kept up-to-date) the beneficiaries of your retirement account, bank accounts or insurance policies?
- Have you thought about your virtual accounts at financial institutions, email access, digital storage or social media accounts? Does a trusted family member have the information?

DO MORE WITH YOUR IRA

Q. Did you know that your IRA can be a tax-smart way to support your favorite charities today?

A. If 70 ½ or older, the IRS allows for a qualified charitable distribution (QCD) to charity. This is an ideal scenario for those that are philanthropic, yet may not necessarily need a distribution. IRA charitable gifts are excluded from gross income for federal income tax purposes and, if 73 or older, transfers can count toward your required minimum distribution for the year in which you made the gift.

Using your IRA for charitable purposes may also reduce future tax liability to non-spousal beneficiaries.

► **Note:** Transfers must be made directly from a traditional IRA account by your IRA administrator to a qualified charity and there's a \$105,000 limitation.

Example: Charlotte is 73 years old and very grateful for the nurturing care that her husband received. She has \$575,000 in her IRA and authorizes her plan administrator to distribute \$2,000 to the hospital's nonprofit foundation. Because the IRA qualified charitable distribution is excluded from income, Charlotte will not be eligible for a charitable income tax deduction — but she still receives tax savings. The \$2,000 distributed to the nonprofit will be counted toward her required minimum distribution and she will not pay income tax on that portion.

