



Questions to Ask When Drafting an Estate Plan

Because you've worked hard to create a secure and comfortable lifestyle for your family, you'll want to ensure that you have a sound financial plan that includes trust and estate planning. With some forethought, you may be able to minimize gift and estate taxes and preserve more of your assets for those you care about.

A qualified financial professional and tax professional can help ensure you are minimizing taxes and maximizing gains for your heirs. You can bring this four-part checklist to your initial meeting to discuss how to make your plan comprehensive and up-to-date.

Part 1: Communicating Your Wishes

- Do you have a will?
- Are you comfortable with the executor(s) and trustee(s) you have selected?
- Have you executed a living will or health care proxy?
- Have you considered a living trust to avoid probate?
- If you have a living trust, have you titled your assets in the name of the trust?

Part 2: Protecting Your Family

- Does your will name a guardian for your children if both you and your spouse are deceased?
- If you want to limit your spouse's flexibility regarding the inheritance, have you created a Q-TIP trust?
- Are you sure you have the right amount and type of life insurance for survivor income, loan repayment, capital needs, and all estate settlement expenses?
- Have you considered an irrevocable life insurance trust to exclude the insurance proceeds from being taxed as part of your estate?
- Have you considered creating trusts for family gift giving?

Part 3: Reducing Your Taxes

- If you are married, are you taking full advantage of the marital deduction?
- Are you making gifts to family members that take advantage of the \$13,000 annual gift tax exclusion?
- Have you gifted assets with a strong probability of future appreciation in order to maximize future estate tax savings?
- Have you considered charitable trusts that could provide you with both estate and income tax benefits?

Part 4: Protecting Your Business

- Do you have a management succession plan?
- Do you have a buy/sell agreement for your family business interests?

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