

Estate Planning

Why it's Important



Upon entering adulthood, one would expect to have mastered the importance of properly managing their finances by creating a financial strategy for themselves and their family. After all, shouldn't our lifelong goal be to live financially independent and leave behind some type of good fortune to our loved ones long after we have passed? Unfortunately, a vast majority of Americans will admit to not having a personal financial plan to guide them into their future. According to Schwab's 2021 Modern Wealth Survey written in their most recent article titled "5 Ways Financial Planning Can help", only 33% of Americans have a written financial plan. The other 67% of individuals claimed they do not make enough money to create a financial plan or just haven't made the time to do so. Although there are various parts

to constructing a financial plan, one important topic that most individuals do not always consider is creating an Estate Plan. According to an article from Nerd Wallet, Estate Planning is "the process of designating who will receive your assets in the event of your death or incapacitation." An excerpt from Caring.com also shows that "more than 50% of Americans think that estate planning is at least somewhat important, but only 33% have a will or living trust." Since many individuals believe they have not accumulated enough assets worth leaving behind for their family, Estate Planning is usually left on the back burner. Let's discuss the details of what Estate planning is and how it could possibly benefit you in the future.

As we have briefly discussed, Estate planning is the process of designating who shall receive the accumulated assets and wealth of a specific family member in the event of their death. An estate plan is a carefully written program, put together by a team of professionals including a qualified attorney, a certified public accountant, an insurance agent and a financial planner, that legally addresses the distribution of assets upon the death of a decedent to their family members. The Estate Planning process contains key steps to follow.

These steps include:

1. Determine what assets and/or investments you own and/or owe
2. Develop an emergency financial plan
3. Create a will
4. Establish who the plan is for - Beneficiaries
5. Assign Fiduciaries to act on your behalf
6. Document your final wishes



Keep in mind that the Estate planning process is not just for the wealthy or elderly. Anyone can start the Estate planning process at any point within their lifetime. An important factor to consider when developing an Estate plan is that the plan is not a one and done deal. It should be reviewed and updated periodically based on the individual's life changes as well as changes within the tax laws.

Having an estate plan can be structured to accomplish an extensive list of objectives such as:

- It can determine who will manage your personal affairs should you become incapable and unable to manage your own affairs. In addition, it can specify how you are to be treated medically in an end-of-life situation.
 - You can avoid probate all together.
 - It can determine who will raise your children and how they will be provided for if you die.
 - If you die without a plan, the state's law of Intestacy (dying without a will) will determine how and when your assets will pass to your heirs. This may give individuals access to funds that may not be beneficial to them due to their age or maturity. It can also lead to family strife if member(s) of the family feel they have not received their fair share of the estate.
 - If your family consists of individuals from multiple marriages, children from different marriages may not be treated as you would wish had you set up a plan.
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- Children with special needs might be at risk of being disqualified from receiving Medicare or SSI benefits requiring the use of their inheritance to pay for medical care and depleting their entire inheritance.
 - Without a plan, assets may end up in the hands of the spouse of your children should your child divorce or die prematurely.
 - Without a plan, your immediate family may not have sufficient resources to survive financially in a manner to which they have become accustomed.
 - If you own a business, you run the risk of having the business being run by one or more heirs that do not have the ability or desire to manage the business in such a way as to build value for the rest of the family. In addition, those involved with the business may not agree completely on the everyday operation of the business causing unrest among family members and employees alike.
 - Without a plan, the estate may be subject to excessive legal costs and time delays as the court may be required to give approval for the everyday handling of the estate's asset.
 - An estate plan can reduce the estate tax burden.



As you can see, Estate Planning has many benefits when it comes to planning your future needs. As you work with a team of professionals to establish your short-term and long-term goals, having a generalized plan could bring peace of mind. Be sure to check your Estate plan often to make sure it consistently reflects your wishes. If you do not have an Estate plan, remember, it is never too late to start now!



How Griffing & Company, P.C. can help you!

Griffing & Company, P.C. has served numerous clients with their tax and accounting needs for over 30 years. We understand that each client's situation is different in its own way. That is why we specialize in providing individually customized service to fit the needs of our current and prospective clients.

We would be more than happy to help you set up your personalized Estate plan. To do so, we would need to set up an initial consultation to discuss the Estate planning process. We will help guide you in determining what works best for you based on your family's needs. If you would like more information on how you can begin your Estate Planning process, please contact our office. **Give us a call today!**

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