

TOP 10 ESTATE PLANNING MISTAKES

Here is a “Top 10 List” pertaining to an important topic—will and estate planning. This list may start you thinking about your estate plan. Perhaps you’re making one or more of the following mistakes:

1. **Thinking you don’t need an estate plan:** No estate is too small, and you’re never too young to have an estate plan. This lets your loved ones know how you want your assets distributed. Every adult, regardless of age, should have an estate plan.
2. **Putting off writing or updating your will:** Later may be too late. It is especially important for families with minor children to have a will specifying legal guardians and trustees.
3. **Having a will as your total estate plan:** There are other important parts to an estate plan besides a will. Many of the forms in this Legacy Organizer will be vital to your family’s welfare.
4. **Underestimating the size of your estate:** Your estate is probably worth more than you think. Have you considered life insurance, appreciated value of your home and property, potential inheritances, retirement plans, etc.? Accurate values make a big difference in estate tax planning.
5. **Leaving your entire estate to your spouse or having all assets in joint ownership with your spouse:** For some this may be a good plan, for others it might be the wrong thing to do. Poor planning can result in substantial and unnecessary federal estate taxes or probate expense upon the death of the surviving spouse.
6. **Not understanding estate taxes:** Estate taxes may be considerably reduced or avoided with proper planning.
7. **Not using the annual gift tax exclusion:** This is a good way to enjoy sharing your estate with loved ones and individuals now. It may also help reduce future estate taxes. As of 2008 you can give \$12,000/person.
8. **Keeping life insurance in your estate:** Life insurance will be considered part of your taxable estate unless you take steps to avoid this potential estate tax liability.
9. **Failing to keep good records:** All of your financial assets, accounts, wills, trusts, capital improvements, insurance policies, etc., should be up-to-date and easy to find. You should tell someone you trust where to find these important records.
10. **Failing to name your church, Christian ministries, or charities in your estate plan:** Have you considered leaving part of your estate to God’s work? The government supports your decision to include Christian causes in your estate plan, and such gifts can help reduce your taxes now and later.

Source: Dick Edic of www.VisionResourcingGroup.com Used by permission.

There are only three places to distribute your estate: family/friends, ministry/charity, or the government. If you don’t do some basic planning, the government may get more than you ever intended, your family may be left confused, angry or short-changed, and God’s work will get nothing.

WHEN should you consider changing or updating your existing will, trust, living will, estate, or charitable giving plans?

- You need to change your estate executor, personal representative, power of attorney, or medical power of attorney because you have changed your mind, the person has died, or the selected person cannot fulfill this role.
- Additional children have been born or adopted, or your choice(s) of guardians has changed for underage children.
- You want to restate your end-of-this-life medical preferences and wishes.
- You have moved to a different state or have purchased real estate in a different state.
- Your financial affairs and assets have changed.
- You desire to make a specific or significant charitable gift to a church, ministry, or non-profit organization.
- A beneficiary has died.
- Tax laws have changed that will impact your estate.
- Professional advisors have shown you ways to restructure your estate plans to decrease your tax liability and increase the amount you can leave to children, church, Christian ministries, or charities.
- Your attorney, accountant, or estate planner has advised you that changes are necessary.
- Your spouse has died, or you have become divorced.
- You want to include additional individuals in your estate plans (i.e., new grandchildren or great grandchildren).
- You want to change (add, delete, modify) how much a specific individual, church, ministry, or charity receives.