

# Estate Planning:

## *A Team Effort*

Estate planning often involves a team consisting of an attorney, a financial professional, an insurance professional, and yourself. However, whether you are establishing a new estate plan or revising an existing one, only *you* can provide the guidance, direction, and information your estate planning team needs to develop an effective plan.

Most estate planning efforts begin with a questionnaire and an asset inventory. Although the process may seem cumbersome, the more complete the information you provide, the better equipped your team will be to help you achieve your goals. Even questions that seem intrusive at first have specific purposes. Following are some examples of the kinds of estate planning information you may be asked to provide:

**Assets and Liabilities.** A list of your assets, their estimated net value, and documentation of the form of ownership (individual, joint tenancy, tenancy by the entirety, and other forms of co-ownership). You will also need to identify your liabilities and those of your spouse. If you live, or have ever lived, in a community property state, you will need to provide information to separate your individual and community property and to determine who is responsible for the management and control of community property.

**Family and Other Beneficiaries.** The names, ages, relationships, and special needs of family members and other beneficiaries. A copy of property settlements, other financial agreements, and court decrees from any prior marriages of both you and your spouse.

**Existing Estate Plans.** A copy of your current will, along with information on any contractual or legal restrictions on the disposition of your assets. In addition, documentation of survivorship provisions and beneficiary designations on insurance policies, retirement plans, employee benefit plans, business buy-sell agreements, and other such assets.

**Health Status.** Information on your current health status and that of your beneficiaries. Also, the average life spans of your ancestors and their ages at death.

**Objectives and Purposes.** Your objectives, purposes, and hopes for yourself and each beneficiary, along with an assessment of each beneficiary's ability to manage money.

## Benefits of Team Work

Once fully informed, your estate planning team can assist you in several important ways. They can: 1) Analyze your assets to determine which you should dispose of during your lifetime, which you should retain, and whether any special expertise may be required to value and dispose of your assets; 2) Identify which assets may be subject to probate and estate taxes and estimate the potential shrinkage due to these costs; 3) Estimate and plan for the liquidity (cash) needs of your estate, your surviving spouse, and other family members and beneficiaries (for instance, cash may be needed to help cover estate taxes, probate costs, or for income replacement); and 4) Guide you in selecting the best domicile—assuming you have a choice—to help reduce the net effect of taxes on your estate.

## No Plan is Final

Bear in mind that no estate plan is permanent. Marriages, remarriages, births, deaths, new employee benefits, and legislative changes may all necessitate adjusting an existing plan or creating a new one. Also, the composition of your assets may change over time. You can keep your estate plan up-to-date by notifying your estate planning team of any relevant changes as they occur, and by responding when they alert you to legislative changes that may affect your estate.

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