

What You Need to Know About Estate Planning

PUTTING YOUR ESTATE IN ORDER

How to be sure your wishes will be acted on, properly

There can be great peace of mind in knowing that your financial affairs are in order, and your final wishes will be fulfilled as you'd like. You can remove any worries about this by setting aside time to meet with your financial advisor to prepare and review your estate plan. The people and causes you care about the most will benefit from your careful consideration now.

Even if your estate plan has been established, a quick review might be required. Life moves on and circumstances change all the time. People you named as beneficiaries may have passed away. New family members may have been born. Marriages and divorces and other life events may have affected the list of people and organizations you wish to care for through your estate. Retirement and new business ventures may also factor into the legacy of your wealth.

With every change in your life, it's smart to revisit your estate plan. It is a living, breathing document whose very content will impact the lives of people important to you.

TWO CRUCIAL QUESTIONS:

Are your beneficiary designations up to date?

Certain types of accounts – such as retirement accounts, for example – may require a beneficiary designation. In the absence of such a designation, an account may typically pass on to your estate which might create post-death complications. But if you designated a specific beneficiary for an account or an asset, you should be sure that your designation is current. Of course, over time, your preference for the beneficiaries on such accounts may have changed, and if so, you should formally update the records. Importantly, make sure your



financial advisor knows about all your assets and accounts – a good financial advisor will remind you to keep your beneficiaries current, and be sure that your custodial accounts are appropriately updated.

Are your assets properly titled?

It's very important that your assets are correctly titled, because legally, there's no margin for error, and it may affect the outcome of your estate planning. For example, certain estate planning credits or deductions cannot be applied if assets are not correctly titled. Executors, courts, banks and insurance companies are all bound by the information established by the titles on your assets – whether it's the name on the deed to your house, the title used in a trust document, or the name applied as the owner of any of your investments. Be sure yours are accurate and current. And include your financial advisor in the process of keeping them up to date. That way, a trusted professional can help you stay on top of such matters.

HOW THINGS GO WRONG:

Procrastination is the enemy of ensuring that your estate and legacy are passed on as you wish. Here are just two examples of how things can go wrong:

- Despite telling her family for more than a decade that she would leave her estate to her devoted caretaker, a matriarch passed away without leaving the caretaker a dime, because she never took the time to name the woman as a beneficiary on any of her assets. Her verbal promises were not enforceable.
- A husband with substantial wealth passed away and the bulk of his estate was passed on to his beloved second wife of twenty years. Unfortunately, 100% of the proceeds from his retirement

WHAT YOU NEED TO KNOW ABOUT ESTATE PLANNING

plan went to his first wife, all because the husband never updated his retirement documents following their divorce, and there was no legally enforceable way for any other outcome.

One of the most compelling reasons to ensure your documents are updated with every life event (marriage, death, birth, retirement, new business, etc.) is the desire to care for your survivors and the next generation – especially if any of your loved ones has special needs. Increases in life expectancy raise the importance of providing for family members well into the future.

Your financial advisor
can help you ensure
that your wishes will be
fulfilled, with clear plans
and updated documents.

STEPS YOU SHOULD TAKE

Disclose all assets to your financial advisor, even those not managed by the advisor. A forgotten or overlooked account or investment might become problematic in the future – or its absence might prevent any holistic financial plan from being optimized for your situation.

Arrange for an annual financial check-up. Meeting with your financial advisor is a critical way to manage your financial well-being. That one conversation could lead to significant changes to your financial plan and how you wish to pursue your goals going forward.

Financial and legal documents require follow-up. Once you've opened an account, keep it up to date, especially in the way it is titled. Work with your financial advisor to ensure your documentation remains current.

Make the time to review your estate plan. Review your plan on a regular basis with your financial advisor, and whenever a life event warrants it. That plan represents your final wishes in your will and other associated documents. Make sure it will truly represent everything you want to say and do for those who will succeed you in this life.

FOLLOW THROUGH WITH YOUR FINANCIAL ADVISOR

Do not presume that lawyers who draft estate paperwork are regularly concerned about keeping it up to date in the future. A good financial advisor will be sure to ask about keeping your documents current – to best reflect your changing circumstances and perhaps any change of heart.

At Cary Street Partners, we believe in offering our clients a higher standard of care, so we'll work closely with you and your legal and tax advisors on all aspects of your estate plan.

Our approach to helping you manage your wealth includes a review of your important documentation:

- Are your beneficiaries up to date and accurate? Has anyone's name or circumstances changed?
- Are the titles of all these accounts accurate?
- Do you have a Power of Attorney and a Living Will? Both also have valid and important reasons to be part of your plans.

A well-executed financial plan helps you pursue your goals and dreams for yourself. A well-prepared estate plan fulfills your dreams and wishes for others. We can assist you in developing both.

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