

financial fitness

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Estate Planning:

HOW TO HELP ORGANIZE YOUR ESTATE FOR A SMOOTHER TRANSITION

Five steps to take now to help make the settlement of your estate as easy as possible for your loved ones

Estate planning is an important process to discuss and prepare for in advance. Tracking down assets, insurance, and other information can be difficult for those left behind when a loved one passes away. That's why it's important to draft detailed plans, ensure relevant parties are aware of your wishes, and keep all necessary documents secured in a safe, accessible place. These five tips provide a good start to the planning conversation.

1. Make sure your estate plan is complete and up to date.

A full estate plan should include, at minimum, a durable power of attorney, a healthcare power of attorney, and a last will and testament. Other estate documents could be needed, such as a Trust document, depending on your wishes and the size of your estate.

What's more, you should periodically reconfirm that the beneficiaries of all your insurance policies and retirement accounts are up to date. "If there's a discrepancy between your account beneficiaries and those you've named in other documents, like your will, the beneficiaries named for your accounts will generally take precedence," says Patrick Schultz, a tax, trust, and estate specialist with Schwab.

Also be sure that ownership is assigned to all assets in a way that matches your wishes. Any financial accounts or real assets designated joint tenancy with rights of survivorship bypass probate—the lengthy legal process of validating your estate, including your will. "Joint titling makes the transfer of assets nearly seamless," Patrick says. Be aware, however, that adding heirs as joint owners gives them the same authority over the assets as you have, and you'll need their consent if you want to change or remove such ownership in the future.

2. Keep a master list of your accounts and real assets.

Patrick recommends creating a physical spreadsheet that lists all of your financial accounts and real assets. "For any account where there's money, include the institution, approximate value, and titling details," he says. You can also include this information in a section of your will, or as a worksheet in your trust document.

Aside from financial accounts, it's important to list all your bills—and how to pay them. "Many folks aren't getting physical bills anymore, so this simple step can help keep ongoing commitments from going sideways until your heirs can close out the estate," says Matthew Olsen, managing director of estate services at Schwab.

3. Create a list of trusted professionals.

Your attorney, CPA, and financial advisor are the most important contacts to include, Patrick says, but anyone who might have a formal role in settling your estate, such as your executor, should also go on the list.

4. Secure all relevant documents—and make copies.

Keep all of the documents listed previously—along with insurance policies, property deeds, and the like—in a fire- and waterproof box that can easily be located in the event of your passing. "I also encourage clients to include their most current tax returns, which can help identify any stocks or other assets you have overlooked in your plan," Matthew says.

Making copies and keeping them in a separate location is also encouraged. However, beware of storing any important documents in a safe deposit box. "If your loved ones aren't on your list of authorized persons, it can take a court order to access the contents," Patrick says.

You might also consider an online record-keeping service to store digital copies of important documents in a secure, central location. Such services typically allow you to grant other individuals access to the information during or after your lifetime.

5. Talk to your loved ones.

Even with all your documents packaged up, Matthew advocates having a conversation with your family—particularly your executor. "Show them not only where all your documentation is but also how to access it," he says. "Your passing may not be the most comfortable topic to address, but in the end, you will have given them immeasurable peace of mind."

Wagner Wealth Management has offices in Greenville, Anderson and Oconee counties. Call us at 864-236-4706, or visit www.wagnerwealthmanagement.com to learn more about our firm.

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