

Estate Planning: A Simple Checklist



Completing your estate planning can feel daunting, but it doesn't have to. Below are 8 critical categories to include when you're planning. Review each of these once a year to make sure they're up to date.

Will

A will allows you to:

- Name guardians for children and pets (if you have any)
- Distribute personal property/assets (to family, charities, etc.)
- Name an executor (who is going to carry out the will)

Beneficiary Designations

Name a beneficiary for non-probate assets (such as retirement pensions, life insurance policies, 401k and IRA accounts)

Healthcare Representative (Medical Power of Attorney)

Name a representative that will be able to make important medical decisions for you in the case that you are unable to do so.

(Financial) Power of Attorney

Choose a financial agent/power of attorney to make important financial decisions for you in the case you are unable to do so.

Identification Documents

It's important to know where the following documents are and can be accessed by people chosen to carry out your plan:

- Birth certificate
- Social security card
- Marriage or divorce certificates
- Any other identifying documents

Titles/Property Deeds

Get together any titles for cars, property or real estate deeds into one central location.

Digital Assets

It's often overlooked, but it's critical in a digital age to have your digital assets accounted for and accessible. These may include:

- Social media accounts
- Emails
- Digital files (photos, files, etc.)
- Online banking information

Funeral Plans/Instructions

Help your loved ones by creating a plan that includes important details like type of service and location.

For additional help, please reach out to our team at 360 Financial. We're here to help navigate critical financial events and ensure you leave a legacy you're proud of.

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11 Estate Planning Mistakes to Avoid

When it comes to estate planning, it can feel overwhelming and like it's easy to make mistakes. Below, we've identified the 10 most common mistakes when it comes to planning an estate. And don't worry, if you find you've already made one, they can all be fixed!

1. Procrastinating/not planning

Not planning means you won't have a say in how your assets are distributed. In this case, the state will distribute where things go. The easiest thing to do is just start. It doesn't have to be perfect right away, since we encourage you to review it regularly.

2. Not including digital assets

Add digital accounts (such as social media accounts, bitcoin, email, online banking, any online accounts, etc.) to your estate plan so that they can be dealt with according. Some states have laws on how they are handled but some do not, so it's important that they're accounted for and your loved ones can get access.

3. Not updating your estate plan enough

It's important to update your estate plan after any major life changes (marriage, death, divorce, having children, etc.). We encourage clients to review their estate plan once a year so you never miss a new life event.

4. Not naming a contingent beneficiary

Having a contingent beneficiary (second in line to the primary beneficiary) is important if the primary one passes away before the estate planner does. This guarantees that there is someone else to handle the assets.

5. Not naming a power of attorney or health representative

If an estate planner is unable to make decisions for themselves at any point, naming a power of attorney gives them the ability to make important decisions for you (medically, financially, etc.)

6. Not knowing how assets will be distributed once passing away

Wills can outline where you want things to be distributed but some things, such as life insurance plans and retirement funds, fall outside of wills so it's important to have beneficiary designations as well.

7. Forgetting to plan funeral arrangements in advance

Having a plan for your after-life ceremony in advance makes things easier on family and gives you the chance to choose the type of service you want.

8. Forgetting about taxes (especially estate)

Have a plan for taxes, including how they will get paid, as estate taxes can be significant depending on where you live. Planning for taxes helps to make sure the largest amount possible of your assets goes to your beneficiaries.

9. Making sure to put your estate plan in a safe and secure place, but not somewhere where no one can access it

Keep all your documents together in a safe place where trusted beneficiaries can access them once they're needed.

10. Not knowing how income taxes can affect beneficiaries

Inherited accounts are subject to taxes, so be sure to consider Roth conversions, so that beneficiary can avoid taxes and withdrawals from 401k and IRA accounts.

11. Not planning for disability/long term care

It's important to consider hospice costs or a long-term living facility in case that is needed.

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Traditional IRA account owners have considerations to make before performing a Roth IRA conversion. These primarily include income tax consequences on the converted amount in the year of conversion, withdrawal limitations from a Roth IRA, and income limitations for future contributions to a Roth IRA. In addition, if you are required to take a required minimum distribution (RMD) in the year you convert, you must do so before converting to a Roth IRA.