https://www.unionleader.com/news/business/money_sense/marc-a-heberts-money-ense-common-estate-planning-mistakes/article_ab4777b1-c954-5a6a-90d3-f38b3091e97a.html

Marc A. Hebert's 'Money $ense': Common estate planning mistakes

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In some cases, estate planning can be quite simple. In others, it can be a complex process with far-reaching consequences. In either case, it is important to review your wishes and have the proper documents prepared to ensure they are followed at your death.

Here are a few of the most common and potentially costly mistakes along with suggestions for avoiding them:

• **Failing to plan.** This may happen in the case where you just can’t get started. The majority of Americans do not have a will and thus do not have an estate plan. If you die without a will, your estate will be divided according to the intestacy laws of your state. Intestacy laws differ by state and refer to a predetermined pattern for how assets are distributed to heirs.

There is no guarantee this pattern would be consistent with your wishes. Whether an estate plan involves a basic will or perhaps a trust, having a plan can help reduce estate taxes, save on estate administrative costs, preserve privacy and expedite disbursement to beneficiaries. In addition, having a plan can help specify how your assets are to be distributed, whether this is to your heirs, a beloved charity, or to a special needs family member.

Also, a will is the way you name a guardian for your minor children.

• **Not maximizing your marital estate exemption.** There is something called portability, which is an estate planning provision that can ease some of the estate tax planning burden. Each individual is allowed an $11.7 million federal estate tax exemption in 2021. If one spouse dies without using up his or her $11.7 million, the unused portion may be transferred to the other spouse for use at the survivor’s death.

Note though that portability does not address the appreciation of assets from the first spouse’s estate. It also does not offer creditor projection.

There are other instruments that can do a potentially better job in meeting these goals. If these are among your concerns, be sure to discuss the issues with an estate planning attorney.

Also, consider state estate taxes when reviewing your strategy and make certain to discuss how portability is elected with your attorney or accountant.

• **Not naming a family member as executor.** Your executor is the person responsible for administering your estate once you are gone. It is important.

Estate planning is something everyone should do. Having estate documents in place provides for a certain peace of mind that things are going to happen as you wished upon your passing.

Make sure your finances reflect your plans once you are done with the documents.

For example, you may want to examine transferring your brokerage accounts into the name of your trust if you have set one up.

You may also want to update your IRA and life insurance beneficiaries to reflect the beneficiaries you have chosen.

As each situation is unique, make sure you have a team in place. This means an attorney, an accountant, and a certified financial planner to help you review your needs.

Keep in mind that estate planning may need to be done more than once to reflect any changes in your life. Estate planning laws change as well.

Having an up-to-date plan will make the estate settlement process that much more efficient.

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