

Financial Survival Guide

# Practical Estate Planning



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# About The Author



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# It all Starts with a Conversation

You must be open to communicating about your legacy intentions with loved ones. Don't allow estate planning documents to replace your voice.

For example, people who communicate openly, and are thoughtful in their estate or risk mitigation processes, allay ongoing family friction and animosity. However, the process must be delicately handled. But what is delicate? Begin with empathy.

Empathy is the ability to understand others. By placing yourself in another's 'shoes,' conversations about money are less rough around the edges. Empathy throws a warm blanket over questions and their delivery. Since money is a delicate subject, empathy encourages a give and take, a kinder exploration, and the conversation for some could be one of the greatest gifts you leave behind.

Estate planning is about ensuring your assets protect the people you love, pass efficiently to the right beneficiaries, and reflect your values. This guide provides practical, actionable steps to help you structure your estate—covering account titling, beneficiary designations, the role of trusts, and strategies for leaving a meaningful legacy to children and grandchildren.

For some, estate planning is a chore. However, there are important documents that are part of an estate planning process that can make your life easier while you're alive!

## 1. THE FOUNDATION OF ESTATE PLANNING

**Effective estate planning begins with assembling the core legal and financial documents that govern your wishes.**

### Essential Documents:

- Last Will and Testament – Directs how probate assets are distributed.
- Revocable Living Trust (optional) – Helps avoid probate and manage assets during incapacity.
- Financial Power of Attorney – Appoints someone to manage financial matters if you cannot.
- Healthcare Power of Attorney & Advance Directive Names who makes medical decisions and outlines your preferences.
- HIPAA Authorization – Allows loved ones access to medical information.

### What Probate Means:

Probate is the legal process of settling your estate. Assets titled properly or with beneficiary designations can avoid probate entirely. Some states like Texas maintain an efficient probate process. Other states such as New York have an onerous, inefficient process that can take a year or longer. In these cases, revocable living trusts may be the solution.

## 2. TITLING OF ACCOUNTS AND PROPERTY

**How you title accounts and property may matter more than what your will says. Proper titling ensures assets transfer seamlessly.**

### Common Ownership Structures:

- Sole Ownership: Owned by one person; passes through probate unless a beneficiary is designated.
- Joint Tenancy with Right of Survivorship (JTWROS): Automatically passes to the surviving joint owner.
- Tenants in Common: Ownership shares can pass to heirs—not automatically to the co-owner.

- Tenancy by the Entirety: Special joint ownership for married couples offering asset protection in some states.
- Community Property (in applicable states): Assets acquired during marriage are jointly owned; some states allow “community property with right of survivorship.”

#### Best Practices for Titling

- Match titling with your estate plan. Titling should not conflict with your will or trust.
- Avoid unnecessary joint ownership with adult children, which could expose the asset to their creditors, divorce, or financial trouble.
- Use trusts when privacy, control, or incapacity planning is a priority.

### 3. PROPER BENEFICIARY DESIGNATIONS

**Beneficiary designations override the will and trust. Reviewing them regularly prevents costly mistakes.**

#### Types of Accounts That Use Beneficiaries:

- Retirement accounts (IRA, 401(k), 403(b))
- Life insurance policies
- Annuities
- Transfer-on-death (TOD) or payable-on-death (POD) bank and brokerage accounts

#### Common Beneficiary Designation Issues:

- Outdated designations (ex-spouse, deceased beneficiary)
- No contingent beneficiary listed
- Naming a minor child directly (requires a court-appointed guardian)
- Naming someone with special needs without a supplemental needs trust
- Forgetting to add trust language if leaving assets to a trust.

#### Best Practices:

- Review designations every 1–2 years or after births, deaths, marriage, or divorce.
- Use per stirpes designations to ensure a beneficiary’s share passes to their children if they predecease you.
- Consider naming trusts when control or protection is necessary.

### 4. REVOCABLE VS. IRREVOCABLE TRUSTS

**Trusts are powerful tools for avoiding probate, maintaining privacy, protecting beneficiaries, and managing taxes**

#### REVOCABLE LIVING TRUST:

A revocable trust can be changed during your lifetime.

##### Pros:

- Avoids probate for assets titled in the trust
- Maintains privacy
- Allows ongoing management if you become incapacitated
- Flexible—you can change terms anytime.

##### Cons:

- No asset protection from your creditors
- No major tax benefits during life
- Requires ongoing maintenance (retitling assets).

#### IRREVOCABLE TRUST

An irrevocable trust generally cannot be modified once established.

##### Pros:

- Can remove assets from your taxable estate
- Shields assets from creditors, lawsuits, and long-term care spend-down (if created early enough)
- Ideal for life insurance planning and wealth transfer

##### Cons:

- Inflexible
- You lose control of the assets
- Requires careful planning and legal support.

#### WHEN TO USE EACH

- Revocable Trust: Ideal for probate avoidance, incapacity planning, and basic family estate planning.
- Irrevocable Trust: Used for asset protection, Medicaid planning, tax reduction, life insurance trusts (ILITs), gifting, and legacy planning.

## 5. LEAVING A LEGACY TO CHILDREN AND GRANDCHILDREN

**Estate planning is more than transferring money—it's about building a legacy that reflects your values.**

### Structuring Inheritances:

- Outright distributions: Simple but offers no protection.
- Staggered distributions: Example—1/3 at age 25, 1/3 at 30, 1/3 at 35.
- Lifetime trusts: Protects beneficiaries from creditors, divorce, and poor decisions.
- Incentive trusts: Encourage education, charitable work, or responsible behavior.

### Special Considerations:

- For minor children: Use a trust; never list minors directly as beneficiaries.
- For grandchildren: Consider generation-skipping planning and gifting strategies.
- For blended families: Ensure clarity on how assets pass to children from prior marriages.

### Passing Values, Not Just Money:

- Write an ethical will or family letter documenting life lessons, hopes, and values.
- Communicate your plan to reduce conflict.
- Include charitable giving if it aligns with your legacy goals.

## 6. ACTION CHECKLIST

- Review document basics (will, powers of attorney, healthcare directives)
- Confirm account titling aligns with your plan
- Update beneficiary designations
- Determine whether a trust is appropriate
- Protect beneficiaries with proper trust structures
- Consider tax and asset-protection tools
- Document your values and legacy intentions

### Conclusion

Effective estate planning provides your loved ones clarity, comfort, and security. By focusing on proper titling, accurate beneficiary designations, the right use of trusts, and thoughtful legacy planning, you can create an estate plan that protects your family for generations.



# Ready To Take Action?

## Work With A Team That Prioritizes Process Over Hype.

If you found this guide helpful, imagine how powerful a fully integrated investment plan could be when aligned to your personal goals, risk tolerance, and long-term objectives.

### At RIA Advisors, we specialize in:

- Behavioral investment strategy
- Personalized portfolio construction
- Risk-adjusted financial planning
- Institutional-level discipline applied to individual wealth

Schedule a strategy consultation today by calling 855-742-7526 (RIA PLAN)

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