

Smart Estate *Planning*

From creating a will to building a long-term legacy

It's a common misconception that estate planning is only for married couples with children. However, whether you are unmarried with no children or have grown children — in the middle of a successful career or approaching retirement — prioritizing estate planning is crucial. Here, we clarify the unique considerations professionals must address to create a robust estate plan and secure their future.

You may be laser-focused on your career and personal passions and might not have estate planning at the top of your mind. But the reality is that the stakes are high for unmarried individuals. Without a clear plan, your assets could default to a probate court's decisions upon your death, and state laws — not your wishes — will dictate their distribution. Estate planning ensures that your assets and healthcare decisions are handled according to your preferences, and not left to the state.

Define Clear Estate Planning Goals

What mark do you wish to leave on the world? Consider directing your generosity toward philanthropic endeavors that resonate with your values, securing the welfare of your descendants for generations, or establishing scholarships to empower future leaders within your community.

Identifying your goals can shape your estate planning and pave the way for impactful conversations with family and friends across generations.

Power of Attorney: Choose with Care

First, select a Power of Attorney (POA) who can legally make decisions on your behalf if you're unable to do so. Choosing someone familiar with your wishes and who will honor them is important, particularly for financial and healthcare decisions. Many individuals select different people for each role to balance responsibilities according to each proxy's strengths.

The Imperative of a Will and Executor

A will is more than a document — it's your voice after you're gone. You might designate a range of beneficiaries, from family members to charities. Dying without a will, known as intestate, often leads to complicated legal proceedings — your state's laws will determine the distribution of your property. Equally crucial is appointing a reliable executor, who will manage your estate, settle final expenses, taxes, and debts, and distribute assets in line with your directives.

Beneficiary Designations Must Be Current

Bank accounts, pensions, IRAs, brokerage accounts, and life insurance policies can pass through beneficiary designations rather than your will. Designating a beneficiary makes the account automatically payable to them upon your passing, bypassing the probate process. However, it's crucial to keep your beneficiaries up to date to prevent an unwanted inheritor, such as an ex-partner. Alternatively, some assets can be placed in a revocable trust that you control while alive, and they transfer directly to named beneficiaries upon your passing. Ensure you name a trustee you can rely on to manage them when you can't. It's also vital to ensure that your estate plan complies with the laws of your state, as inheritance and estate taxes can vary among different states.

The Importance of Leaving a Legacy

If you wish to make a lasting impact, consider setting up a Charitable Trust or making direct contributions to a cause you care about (this helps you achieve your goal — and you can enjoy tax benefits). You can begin this philanthropy now and see its effects in your lifetime. For family legacies, annual gifts of up to \$17,000 per person are exempt from gift taxes, and direct payments for educational or medical expenses are not limited (within certain IRS rules), as long as they go directly to the institution.

Long-Term Care Planning is Essential

Regardless of age, thinking long-term is important! Long-term care insurance is vital to estate planning for those without a spouse or partner. With over 70% of Americans requiring long-term care for an average of 3.7 years for women and 2.6 years for men, the increasing costs of home care can make a dent in your savings and investments. To cover the cost of aging in your home, consider obtaining long-term care insurance directly or through a revocable trust. Another option is incorporating long-term care coverage into your life insurance policy, providing added flexibility.

Independent But Not Solo: Plan Today for the Tomorrow You Want

Unmarried individuals face different estate planning challenges than from couples. This also holds for unmarried cohabiting partners who are legally considered single. A well-coordinated estate plan addresses asset transfer, financial management, healthcare directives, and legacy planning.

Estate planning can be a complex and emotional topic, but it's crucial to set up your future, your legacy, and, eventually, being "retirement ready." We can help with an estate plan that addresses asset transfer, financial and business decisions, healthcare directives, and legacy objectives. We can also help you craft a comprehensive strategy tailored to your circumstances, ensuring your assets are distributed as you intend.

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