



LEAVING A LEGACY

Many people wish to leave a legacy that lasts long after their time on earth. An estate plan is one of the most important steps a person can take to protect their family and preserve their legacy. By creating an estate plan, individuals can help ensure that their family is taken care of, their assets are distributed according to their wishes, and that any debts or taxes are paid in a timely fashion. Estate planning also helps people to try and ensure that any charitable gifts or donations they wish to make are properly distributed. Creating an estate plan may seem intimidating, but it doesn't have to be complicated or costly.

At Gainspoletti Wealth Planners, we understand the importance of estate planning and are here to help you create a plan that meets your needs. We offer comprehensive services to help individuals prepare for their financial future, including wills, trusts, and other documents as needed.

ESTATE PLANNING

An estate plan is a comprehensive plan that enables you to manage your assets during your lifetime as well as after your death. This includes deciding how your assets will be distributed, who will manage them in the event of incapacity or death, and who receives them upon your passing. An estate plan also includes details about what should

happen if you are unable to make decisions due to injury or illness. Having an estate plan in place allows you to help ensure that your wishes are carried out in accordance with the law while avoiding probate costs and other potential delays associated with transferring assets without an estate plan.

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An estate plan should include a will, which outlines how you would like your assets to be distributed after you die. It should also include trusts, which are used as vehicles for transferring assets between generations without going through probate court. Additionally, an estate plan may include powers of attorney that allow someone else to manage your financial affairs if you become incapacitated or unable to do so yourself.

Wills can fall into two main categories: *testamentary and living wills*.

A testamentary will is a document that explains how an individual's assets should be divided after their death. A living will, on the other hand, outlines an individual's wishes regarding medical treatment if they become incapacitated or unable to make decisions for themselves.

There are several types of trusts, which are useful in estate tax management and have different implications for the estate plan.



TAX MANAGEMENT USING TRUSTS

The executor of an estate has many duties to attend to after someone passes. This includes collecting documents, identifying and valuing assets, paying any outstanding debts, dispersing the assets as directed, and filing a final income tax return. This can be especially challenging when the asset base consists of illiquid items such as real estate or a business. Fortunately, there are ways to navigate these issues that can provide both protection from taxes and other potential probate complications for those involved.

Irrevocable life insurance trusts(ILITs) – if titled properly, the proceeds are distributed free from estate and income taxes. ILITs are utilized to replace estate funds that are used to pay final expenses or to increase the size of an estate thereby helping replace lost family income. Because ILITs are structured

as a trust, additional advantages include but are not limited to: creditor protection, privacy, probate avoidance and distributions for multiple generations.

Qualified personal residence trusts(QPRTs) - allows you to retitle your home into an irrevocable trust's name, thereby removing the value of the home from your estate. You retain rights to remain in the home for a set number of years.

Removing the home from your estate helps reduce federal estate taxes.

Incentive trusts – instead of traditional trust distribution methods, the creator carefully constructs these distributions in away that motivates positive actions(graduating from college or refraining from substance abuse) and instills family values.





FAMILY EDUCATION AND MEETINGS

One way that you can help ensure a lasting legacy is by preparing your family in advance. We recommend having a meeting with your close and trusted family members about your wishes and critical estate planning documents. This meeting can be facilitated by your financial advisor or another trusted professional and will help your family understand your wishes for the future. It should be clear that this meeting is not a debate and is simply instructions for how you wish your legacy to be carried out. During this meeting, you can clarify any questions your loved ones may have and provide them with any information that they may need when that time comes. This is a very emotional subject, but having

such a meeting can help your family hold each other accountable to your wishes and help ensure that they are prepared to honor your legacy.

Education is also an important component for families. Financial literacy is crucial for those receiving an inheritance. Your financial advisor can provide resources to educate your beneficiaries on how to properly manage the funds they inherit and use them in a way that will be beneficial for them. To help ensure that your loved ones are ready to manage their inheritance will help ensure that it is used to better their lives and build generational wealth.

If you're interested in getting
the most out of your wealth,
we are here for you.

**CONTACT US TODAY FOR A
CONSULTATION.**



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