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## Why Everyone Needs an Estate Plan

Last Will and Testament

For many of us, the phrase "estate planning" conjures up images of the rich and famous-celebrities, actors, singers, professional athletes, business entrepreneurs, and more. Unfortunately, that imagery creates a false narrative, causing the rest of us to believe that estate planning isn't that important. The reality is that everyone needs estate planning. The rich and famous, however, need something more and that is "estate tax planning" which serves to minimize estate taxes that are, generally, only applicable to the wealthy.

So, what is estate planning for most of us? In part, it is the process of protecting our wealth, regardless of amount, and transferring a legacy to our heirs who may be spouses, children, friends, extended family, charities and others. It doesn't matter how wealthy we are because in most cases, family is the first to come to mind when thinking about who we want to benefit from our assets at death. Part of that process is also to protect that wealth today, so we will have it to distribute tomorrow.

A proper estate plan should, first and foremost, preserve our assets and distribute them in the manner we choose. Without an estate plan, particularly, without a Last Will and Testament, also known simply as a Will, the state of residency will dictate how our estate will be distributed through laws known as intestacy laws. These laws may not fulfill what we would hope for or intend. A Will is a basic building block of a proper estate plan. A Will may be complemented by other estate planning tools such as trusts, living wills, healthcare proxies, financial powers of attorney, life, disability income and long-term care insurances. Together, these documents and financial products may also help:

- Protect your primary source of wealth building that is, your ability to work and have a salary.
- Protect your minor children in the event you are not around to do so.
- Protect a spouse or partner and children from financial hardship if you're no longer around.

- Protect your accumulated wealth from prolonged periods of physical or mental incapacity.
- Give children and/or grandchildren a financial foundation on which to build their lives.
- Fulfill obligations to a child or other family member with special needs, or to elderly parents to provide continuity of care.
- Provide protection for yourself and family in times of sickness or medical incapacity.
- Leave a social legacy to your community through charitable giving.

Regardless of wealth, done correctly, the Will and other estate planning tools may help to maintain family harmony when you're gone because intentions and objectives will be clearly defined.

The planning process includes going to an estate planning attorney to get a Will and complementary documents drafted and signed. That's where many estate plans fail because death or incapacity are not topics we like to talk and think about, leading to procrastination. There is also, of course, the fact that attorneys are not inexpensive. The process also includes going to a knowledgeable financial services professional to determine whether you are properly and adequately covered by appropriate insurances. That's another point of procrastination or an area that is completely ignored because insurance premiums are not cheap. Planning costs money. The failure to plan, however, may be disastrous and can result in the loss of wealth or sources of income.

- Everyone needs a Will regardless of net worth.
- Even the wealthy who can most afford it and need it for tax purposes, often neglect basic estate planning.
- Estate planning can help prevent family members from multiple marriages from being ignored or forgotten.
- Neglecting estate planning can lead to lawsuits and substantial administrative and legal fees. More importantly, it can lead to family discord and break apart families.

- Even if you created an estate plan, it must be reviewed on a regular basis, particularly if there has been a significant life event, such as a marriage, divorce, newly born or adopted child, change in wealth status, and more.
- Life insurance can be used to replace wealth that would have gone to heirs but lost to taxes, administrative and legal fees; equalize inheritances; and help ensure that children from prior marriages are well cared for.
- Disability income insurance can be used to mitigate the risk that a catastrophic injury or illness that prevents you from working does not interfere with the need for you to continue receiving an income.
- Long-term care insurance can help to protect the assets and wealth you have accumulated in the event of a long-term injury, sickness, illness or incapacity.

As you can see, having a Will and complementary estate planning documents and appropriate insurances are necessities for everyone with family members and loved ones, regardless of wealth. Estate planning is a process that must be reviewed on a regular basis.

## For More Information Contact:

Contact your Security Mutual life insurance advisor today to get the process started. Your Security Mutual life insurance advisor is positioned to help you by working with your tax and legal advisors to create the estate plan that best fits your goals and objectives.

The information presented is designed to provide general information regarding the subject matter covered. It is not intended to serve as legal, tax or other financial advice related to individual situations, because each person's legal, tax and financial situation is different. Specific advice needs to be tailored to your particular situation. Therefore, please consult with your own attorney, tax professional and/or other advisors regarding your specific situation.

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