INTRODUCTION TO ESTATE PLANNING

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Estate planning is not a function that should be put off until you have either: 1) made your fortune, 2) reached the retirement stage of your life, or 3) been diagnosed with a life threatening illness. In fact, estate planning may very well be more important and beneficial to the family of a young primary income earner with a high debt load and young dependents. Unfortunately, many people will spend a substantial amount of time and resources planning for a vacation that will last only a few days or weeks, but have spent very little time and resources planning for their personal and financial trip through life. Additionally, estate planning is a continuing process and there is not one universal cure-all estate planning "prescription".

Following sections of this estate planning series will present information on: 1) the gross estate and taxable estate; 2) the unified estate/gift tax schedule and unified tax credit; 3) marital deduction; 4) non-charitable gifting and the annual gift exclusion; 5) Missouri laws of descent; 6) wills and trusts; 7) durable power of attorney; 8) the probate process; 9) titling property; 10) special use valuation; 11) generation skipping transfers; 12) and much more.

However, before you get started on your estate planning journey, you need to identify the estate planning goals and objectives you want your plan to accomplish. As with many things in life, you must determine where you are and where you want to go, before the best route can be determined. Estate planning goals and objectives could include, but are certainly not limited to the following. First, provide for an adequate income and security for yourself and your spouse -

whether you live to 85 or 135. Second, provide for the care of any minor children. Third, provide for the equitable treatment of children or other heirs and provide for any special needs. Fourth, provide for the continuation of a family business. Fifth, minimize income, gift, estate, and settlement costs. Sixth, provide for bequests to charitable organizations. Seventh, if desired, provide for a living will or directive to physicians.

Your assignment "should you decide to accept the challenge" is to create <u>your personal list</u> of goals and objectives (family and business). Your list will be somewhat unique and you'll recognize that some of the goals may be conflicting, so it will also be important that you give some thought to the priority of your goals and objectives.

In the development or review of your estate plan, consider utilizing the ideas and services of an estate planning team. This team should include your attorney and tax advisor and could also include your banker, insurance agent, and others whose advice you value.