

PERSONAL FINANCE JUNE 22, 2016 10:03 AM

# Your financial planner: Six basic steps to legacy planning

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You've probably heard or read of more than one famous person who died without the most basic of estate planning tools: a will. This brings up a vitally important question. What long-term impact do you want to have on the people and causes that are important to you?

Legacy questions are tough and estate planning, an essential part of documenting your intentions, can be complex. One way to get the process started is to consider the following basic steps:

1. **An updated will.** Your will is a legal document that spells out your wishes about who will inherit specific assets after your death. A properly drafted will can play a critical role in minimizing your estate's exposure to taxes. If you should die without a legally binding will in place, courts may end up making decisions about who benefits from your estate, regardless of your best intentions. Be sure to review your will regularly.
2. **Owned property.** If you are married and own property you intend to gift, check state laws to see how regulations may affect your estate. Sometimes, property acquired prior to marriage could be considered owned by both spouses. Review your property and make sure it is set up within your estate to benefit your chosen recipient(s).
3. **Beneficiary statements.** Review your beneficiary designations and make sure they align with your wishes. Check your beneficiaries for retirement plans (401(k)s, 403(b)s, etc.), IRAs, bank accounts and insurance policies. Keep in mind that beneficiaries you name on these accounts take precedence over those named in a will. It is important to regularly review beneficiaries, particularly after major life changes such as marriage, the birth of children or grandchildren, divorce, etc.
4. **Health care directive and living will.** No matter your age, it is important to be prepared for unexpected turns in your health, either through accident, illness or for other reasons. This includes having a health care directive that provides guidance on the extent of the medical treatment you wish to receive based on your condition. Check with your doctor or other health care providers to make sure they agree with the terms you intend to include.
5. **Power of attorney.** You should consider empowering an individual to make decisions on your behalf if circumstances arise that prevent you from doing so. Designating a person to be a "durable" power of attorney means they can act as your agent, making medical and/or financial decisions for you when needed.
6. **Digital accounts.** A new concern is to make sure loved ones know how to find all required information--including passwords--to access your online accounts. This may include your financial accounts, household accounts (i.e.: energy, cell phone, cable company) and social media accounts.

Be sure to consult with an attorney for assistance in creating the necessary documentation for your estate plan. Your financial advisor can review your estate goals to assure that your legacy intentions are consistent with your overall financial strategy.

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