

Estate Planning and You

Proper planning increases what your beneficiaries receive

Why do you need to do estate planning?

Estate planning helps protect your assets and reduce the cost of leaving them to your heirs. While preserving your estate you are also reducing the amount of estate tax liability owed at your death.

What if you don't do estate planning?

Perhaps one of the best reasons for creating an estate plan is that, without one at your death, you could owe as much as 55% of the value of your estate to taxes and other costs. Additionally, your heirs could be left to divide your estate without knowing your real intentions.

In this instance, if you own a business, it may need to be sold to provide your family the same standard of living in the event of your death.

What if you do estate planning?

You will take control of how your estate will be distributed when you are gone, and preserve the wealth you have spent years accumulating. Review these examples and ask yourself if any of them are important issues for you:

- You want to specify who will benefit from your estate.
- You want to minimize exposure to estate taxes and other costs.
- You want to plan to provide for your grandchildren's education.
- You want to give a gift to your favorite charity.
- You want to specify if a child will inherit your business.

Manulife Financial

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What tools are available to build your estate plan?

Lifetime Gifting Programs:

- Charitable gifts
- Taxable gifts
- Gifts paid directly for medical/education expenses

Trust Arrangements:

- Revocable Living Trusts
- Charitable Trusts
- Grantor Retained Trusts
- Irrevocable Life Insurance Trusts
- Credit Shelter Trusts

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After the IRS gets their share of your estate will your children have anything left?

Did you know that on your death, up to 55% of your estate could be claimed by the IRS? Instead of passing on your accumulated wealth to your family, a large portion of it could be claimed as taxes.

Estate taxes must be paid in cash nine (9) months after death. Failure to protect your estate from estate taxes could cause unnecessary hardship on your family business and loved ones. Without this liquidity, valuable estate assets such as a family business or real estate might have to be sold or mortgaged. A proper estate plan to preserve your wealth could be the answer.

Estates of Several Famous People

Name	Gross Estate	Settlement Costs	Net Estate	Percent Shrinkage
Franklin D. Roosevelt	\$ 1,940,999	\$ 574,867	\$ 1,366,132	30%
Humphrey Bogart	\$ 910,146	\$ 274,234	\$ 635,912	30%
Clark Gable	\$ 2,806,526	\$ 1,101,038	\$ 1,705,488	40%
Gary Cooper	\$ 4,984,985	\$ 1,530,454	\$ 3,454,531	31%
Walt Disney	\$ 23,004,851	\$ 6,811,943	\$ 16,192,908	30%
Elvis Presley	\$ 10,165,434	\$ 7,374,635	\$ 2,790,799	73%

Source: Public Probate Records



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