

Estate Planning:

A Key Piece of Your Financial Puzzle

Estate planning is about ensuring your wishes are followed during and after your life. It's your chance to take control, protect your loved ones, and leave a lasting legacy. A living trust is often a key part of this. Unlike a will, it allows your assets to be managed and distributed without the lengthy probate process, giving you more control over how and when your assets are passed on.

Here are five key decisions to consider as you create your plan.

1. Successor Trustee: Who Will Manage Your Finances?

At some point, someone else may need to manage your finances. This person—your trustee, executor, or financial power of attorney—should be trustworthy, responsible, and have good judgment. If no one fits the role, professional trustees or institutions are an option. Be sure to name 2-3 backups in case your first choice can't serve.

2. Beneficiaries: Who Gets What?

Your beneficiaries are the people or organizations who will receive your assets after you pass. Many choose to divide assets equally among children, but you can also make personalized choices, like leaving a gift to a charity or a meaningful item to a loved one. Consider who matters most and how you'd like them to benefit.

3. Method of Distribution: How Will They Receive It?

How your assets are distributed is just as important as who gets them. If your beneficiaries are young, consider staggered distributions—like a third at 25, another at 30, and the final portion at 35. This ensures they mature financially before receiving large sums. The goal is to make sure the inheritance benefits them, not burdens them.

4. Health Care Power of Attorney: Who Will Speak for You in Medical Decisions?

If you're unable to make medical decisions, choose someone calm under pressure who can make tough choices. They'll also honor your end-of-life preferences, like resuscitation or organ donation. It's smart to name a few backups in case your primary choice can't serve.

5. Guardian: Who Will Care for Your Children?

Naming a guardian for young children is a crucial decision. This person will care for your children if you're no longer able. Guardians are often parents, siblings, or close friends, but you can choose anyone who can provide a stable home. The guardian will work with the trustee to manage funds for your children's needs, like education and healthcare.