

TOP 10 REASONS WHY YOU NEED ESTATE PLANNING - EVEN IF YOU THINK YOU DON'T!!!

1. If you die without a **WILL** everything *DOES NOT* automatically go to your spouse! Your spouse gets the first \$30,000.00, and splits the rest of your estate 50/50 with your kids. Your children would get all their money at the age of 18 outright. All different kinds of scenarios if you are not married, or don't have kids, but the bottom line is the Commonwealth of PA has a Will for you that will direct how your property gets distributed, if you don't do it yourself!

2. If you have children under the age of 18, you need to name **Guardians** in your **WILL** for them in case something happens to you. This is who they would physically live with. Do this even **IF YOU ARE DIVORCED...**

3. **TAXES, TAXES, TAXES.** Should I say it again, **TAXES, TAXES, TAXES.** We pay them while we are alive, and we get taxed when we die. The Federal Estate Tax is a 40% rate, the Pennsylvania Inheritance Tax begins at a 4.5% rate and goes up from there. You need to make sure you know what the liabilities are, and plan in the most tax efficient way possible.

4. ***You do not have to be “wealthy” to have an estate.*** If you own a house, a bank account, a car, etc. that **IS** your estate, regardless of how much it is worth. Your estate is simply what you own.

5. Control how your loved ones receive money to protect them by leaving assets in trust for at least some period of time. If monies are left in trust, it can be protected from ***divorce***, creditors, lawsuits, and bankruptcy at the same time. Remember, we never know who our kids are going to marry!

6. Everyone needs **Health Care Powers of Attorney** for Medical Decisions because of the HIPPA privacy laws. Even your spouse cannot legally speak for you if you are unconscious without this document. You should be getting these for your children once they are 18 and go off to college. They are adults in the eyes of the law, and a doctor that does not know you, or a University, WILL NOT speak to you about their medical issues.

7. Everyone needs a **Financial Power of Attorney**, even if you think you own everything jointly with your spouse. YOU DON'T. You cannot own IRA's, 401k's, pensions, most annuities, life insurance contracts, etc. jointly. If you become disabled, accounts get frozen and we have to go to court for guardianship. Very Expensive, Very Inconvenient.

8. If you have a child with **Special Needs**, it is critically important to set things up properly to maintain that child's public benefits and eligibility. A Special Needs Trust must be set up to maintain eligibility and ensure the best and highest quality of life.

9. No one wants to work hard their entire lives and then lose all their assets to a **Medicaid** Spenddown situation. Make sure your assets are tax, creditor and Medicaid protected, so upon your death, the people you love receive your assets.

10. ***THE BEST GIFT YOU CAN GIVE YOUR LOVED ONES IS TO BE ORGANIZED AND PLAN APPROPRIATELY.*** The most heartbreaking thing that I see in my practice is families fighting because people did not clearly spell out their wishes. It leaves too much to interpretation, especially when things have not been perfect with family dynamics, which they rarely are. I also see families having to sell businesses and cherished vacation homes to pay taxes because of poor or no planning, which could have been very easily avoided.
