WHEELER
Wealth Management

FLASH REPORT

Eric D. Wheeler, CFP®
Branch Manager, Wheeler Wealth Management
306 Middletown Park Place, Unit B · Louisville, KY 40243
P (502) 200-7225 · F (502) 473-6562

When It's Time To Update Your Estate Plan

Estate planning—the process for how you transfer your wealth to heirs and others—can be very important for anyone who wants to be certain that their loved ones are adequately provided for and taken care of.

Chances are, you know that—and you have an estate plan in place. But if you think that your current plan is where it needs to be, you might want to think again. We often find that the estate plans that affluent individuals have in place are more than three years old. Some reasons why that's a potentially big problem:

- Continual changes in tax laws mean that older estate plans may not take full advantage of current opportunities to transfer assets optimally.
- Tax law changes also could mean that some aspects of an older estate plan are no longer effective.*
- Changes in your wealth status mean that your estate plan may no longer accurately reflect your financial situation.
- Changes in your personal and family situation may make your estate plan ineffective in accomplishing what you actually want it to do given those changes.

The upshot: It's a good idea to stay on top of your plan and revise it when appropriate—especially when events occur that could potentially affect your wealth.

We believe that strong estate plans involve two key components: technical expertise and the human element.

Technical Expertise

Exceptional estate planning requires exceptional technical expertise about estate planning laws, rules and strategies *(some of which can be very complex)*.

The tools and techniques of exceptional estate planning can range from the basic to the cutting edge. From the technical side, some estate planning strategies and tools you might end up considering are:

Trusts. In many ways, trusts are often cornerstone solutions for many successful individuals and families. A trust is a means of transferring property using a third party (the trust). Specifically, a trust lets you transfer title of your assets to trustees for the benefit of the people you want to take care of—also known as your designated beneficiaries. The trustee will carry out your wishes on behalf of your beneficiaries.

Partnerships. As with trusts, there are many types of partnerships. They can determine how the partners of a business address ownership issues, and they have varying tax benefits. For example, within the business world, disharmony among family members or unrelated business partners can mean a higher tax bill if the owners are forced to divide assets among the partnership's members. Through the use of sophisticated partnership structures, business owners can divide their companies—and possibly reduce taxes.

** Tax laws are subject to change, which may affect how any given strategy may perform. Always consult with a tax advisor.*

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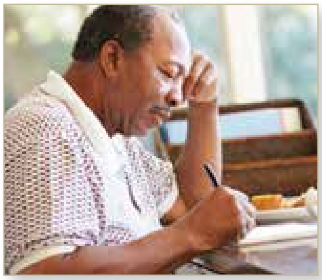
A PLAN THAT REFLECTS YOUR GOALS

The Human Element



The true goal of exceptional estate planning is to transfer your wealth *in accordance with your wishes*. The role of an estate planner—who may be a top lawyer, accountant or wealth manager—is to make it possible for you to achieve your desired agenda and to be as tax efficient as possible in pursuit of that agenda.

That's where the human element comes into play. While technical expertise is absolutely required, it is the human element—understanding your agenda on a deep level and then designing a plan around that agenda—that distinguishes exceptional estate planning from merely good estate planning.

That's because today, most estate planning legal strategies and financial products are commonly accessible. So a big difference among estate plans and planners is the ability to put the pieces together so that you get the results you're seeking.

Clearly, then, an estate planner you work with should have a deep understanding of you—your situation, your values, your goals and your concerns. Without that knowledge, the tools themselves (good as they may be, technically) might not get you what you want because they're not the appropriate ones for the job you want done.

A Process to Follow

There is a process you can follow that we believe can potentially increase your chances of ending up with an exceptional estate plan that satisfies the technical and human aspects and reflects your latest thinking on your needs and goals.

1. Start with the end in mind. Start by thinking through what you want to have happen—the outcomes you ideally want to see occur. For each possibility, you'll need to specify what happens to your assets. You'll also need to decide who is in control at different points in time—making decisions such as when your children will have control of the assets.

2. Determine your desired results. Share your desired results in each scenario with an estate planner whom you find to be highly capable. They should be able to come up with ways to enable you to best achieve your preferred results.

3. Make a decision. Based on input and insights from the estate planner, choose a course of action.

4. Implement the plan. Once you have made a decision, the estate planner will formalize everything and create the estate plan.

Important: Don't ignore your plan once it's done. Revisiting an estate plan every few years should be part of your agenda. It's best to think about your exceptional estate plan as perpetually being a *work in progress*.

If you have any doubts about whether your estate plan is likely to achieve your wishes, consider having a wealth manager review the plan and your particular situation to answer two questions:

- Is the plan likely to deliver the outcomes you currently want?
- Is the plan missing anything that can make it more effective or efficient?

Conclusion

Estate planning should be a part of ensuring the outcomes you want in your financial life and the lives of the people you care about most. What's more, your existing estate plan needs to be reexamined every so often—and revised if necessary.

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