



# 5 Biggest *Mistakes* to Avoid

## When Creating Your Estate Plan

Estate planning is not just for the wealthy. Regardless of the size of your estate, having a plan in place can help avoid unnecessary taxes, protect your assets from creditors, and ensure your wishes are carried out. Without a proper estate plan, your assets could end up in the hands of unintended beneficiaries or be significantly reduced by taxes and legal fees.

## MISTAKE #1

# Not Having a Plan at All

The most common mistake is not having an estate plan at all. Many people assume that estate planning is only for the wealthy, but this is a misconception. Regardless of the size of your estate, having a plan in place is crucial to ensure your assets are distributed according to your wishes. Without a plan, your estate may be subject to intestacy laws, which could lead to outcomes you did not intend.

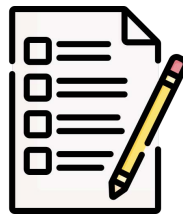
A significant number of Americans do not have an estate plan. Without a plan, your assets will be distributed according to state intestacy laws, which may not align with your wishes.

According to a 2020 survey by Caring.com, only 32% of American adults have a will or another type of estate plan. This is a concerning statistic, considering the significant role estate planning plays in securing one's financial future.



### Cost of Probate

Cost for probate may require the liquidation of estate assets intended for heirs.



### Loss of Control

Assets are controlled by the courts. Your wishes may not be fulfilled.



### Time

The Probate process can take months to years to complete.

Estate planning is a critical process that ensures your assets are distributed according to your wishes after your passing. It provides a roadmap for the distribution and management of your estate, offering peace of mind to you and your loved ones.

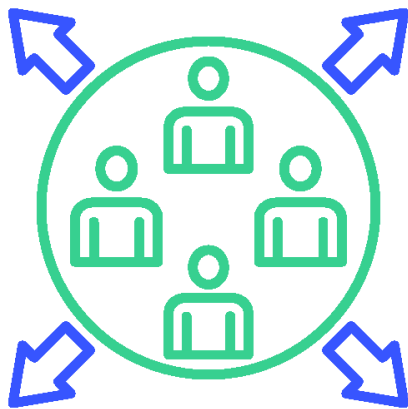


## MISTAKE #2

# Not Updating your Estate Plan

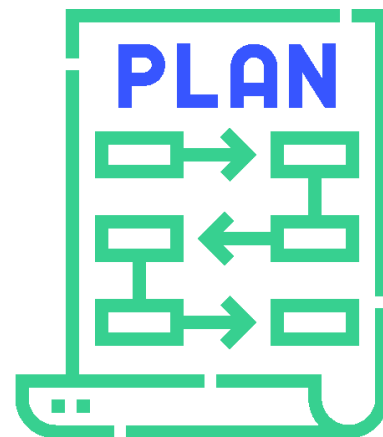
Life is dynamic, and changes such as marriage, divorce, birth of a child, or death of a beneficiary can significantly impact your estate plan.

It is advisable to review and update your estate plan every few years or whenever there are significant changes in your life or the law.



### Life Events

Not updating your estate plan after a major life event can have unintended consequences.



### Accurate

Keeping your plan up-to-date can provide peace of mind and confidence.

Help ensure that your assets are distributed according to your wishes, your loved ones are provided for, and potential tax liabilities are minimized, by keeping your Estate Plan up-to-date. Set a calendar reminder to review your Estate Plan with your advisor every 3-5 years.



## MISTAKE #3

# Not Planning for Incapacity

The third mistake to avoid is neglecting to plan for incapacity. Many people focus solely on the distribution of assets after death, overlooking the possibility of becoming incapacitated due to illness or injury. A comprehensive estate plan should include directives for financial and healthcare decisions in the event of incapacity. This can be achieved through documents such as a durable power of attorney and a living will.

If your house is in JTWOS (Joint Tenants with Rights of Survivorship) and your spouse is incapacitated, you will have to go through "Living" probate if you needed to sell the house. You can avoid this by having Durable Power of Attorney documents executed as a part of your Estate Plan.



## MISTAKE #4

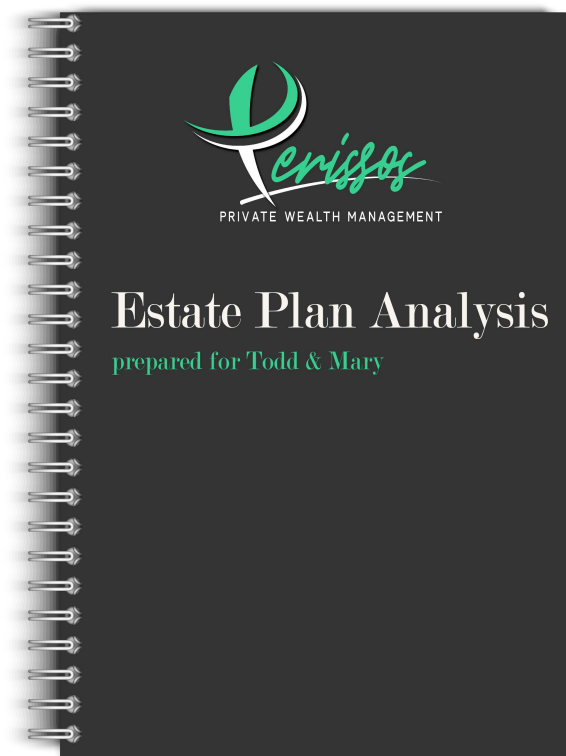
# Not Considering Tax implications of your Estate Plan

Estate taxes can significantly reduce the value of the estate left for your heirs. Therefore, it is essential to work with a knowledgeable attorney or financial advisor who can help you understand and minimize potential tax liabilities.

A properly structured estate plan can provide double the amount of the Estate Tax Exemption limit.

Each year the Estate Tax Exemption limit is adjusted. If Congress doesn't act the exemption limit is set to be reduced to \$7 million in 2025.

Perissos Private Wealth Management works with our CPA partners to help clients prepare their Estate Plans for the ever-changing tax code.



## MISTAKE #5

# Navigating the Estate Planning Process *without* Professional Guidance.

Estate planning involves complex legal and financial issues that require expert guidance. While DIY estate planning tools may seem cost-effective, they often lead to errors and oversights that can have serious consequences.

Perissos provides Estate Planning guidance and walks clients through the process step-by-step. Whether your circumstances warrant a Will or a Trust, we make sure your Estate Plan is in place and up-to-date.

Estate planning is a vital process that requires careful consideration and planning. Avoiding these common mistakes can help ensure that your assets are distributed according to your wishes, your loved ones are provided for, and potential tax liabilities are minimized. Remember, it's never too early to start planning for the future. With the right guidance and a well-thought-out plan, you can leave a lasting legacy for your loved ones.



# We look forward to hearing from you!



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