



Estate Planning – Accumulating, Preserving, and Passing Wealth

Many investors focus on long-term saving issues such as planning for retirement and providing for the education of a child or grandchild. While accumulation of wealth is a primary concern, the protection and transfer of that wealth to future generations is often overlooked. With the incredible transfer of wealth expected to take place in the upcoming years, planning for the transfer of an estate takes on greater importance.

You might wonder whether you need an estate plan. Anyone who has a home, a car, investments, real estate, a retirement plan, business interests, or personal property should have an estate plan. An estate plan allows you to provide for the management of your assets while you are alive. In addition, it allows you to indicate how and to whom you would like your estate distributed at your death. If you do nothing, your estate will be distributed according to the intestacy laws of your state. This does not allow you to control the distribution of your estate, and often it disposes of assets differently than you would have if you had the opportunity to plan.

Estate planning encompasses more than the distribution of your estate to your heirs. It is a process designed to identify the best way to accumulate, preserve, and protect your wealth by implementing a plan to meet all of your objectives. A carefully prepared estate plan can help you address lifetime management issues, as well as death transfer issues.

There are a variety of estate planning tools available, some very simple and others much more complex. Before you can select what tools you want to use within your plan, you'll need to identify your planning objectives.

- Whom do you want to benefit from the wealth you accumulate?
- Do you want to structure your plan to include a charity as a beneficiary?
- Do you want to transfer some of your wealth to beneficiaries during your lifetime or only upon your death?
- Do you have any situations that would require specialized planning, such as a previous marriage or a special needs child?

Recognizing that every situation is unique, an individualized estate plan can address a number of planning objectives:

- Preserve the value of your estate;
- Provide for the current management of your assets and affairs;
- Manage your assets and affairs for you and your heirs in the event you become disabled or incapacitated;
- Maximize what you transfer to your beneficiaries;
- Reduce or eliminate probate;
- Minimize the transfer taxes you must pay, including federal and state estate taxes; and
- Provide for ongoing management of assets for your spouse, children, or grandchildren.

Once you have developed a list of your planning objectives, the next step is to build a team of professionals to assist you in the planning process. An estate planning attorney will be a key member of the team and will help you select the tools necessary to achieve your objectives. He or she will also draft the documents required to implement your plan. You may also include a tax professional as part of the planning team to assist with any tax-related issues that may arise. Your Stifel Financial Advisor will also be an integral part of the process, as he or she knows your personal financial situation and can provide the investment knowledge and expertise to help you pursue your goals. Finally, you may involve a corporate trustee in your planning team as a current or successor trustee.

At Stifel, we strive to serve as a resource to our clients. Estate planning can be confusing. We want to help you understand your options so you can make informed decisions. You've worked hard to get where you are. We have created this guide to estate planning to educate you about the estate planning process and how it can help you accumulate, preserve, and pass your wealth in the manner you desire.

This material is provided with the understanding that it does not constitute legal or tax advice. You should consult with an estate planning attorney and tax professional to discuss your particular situation.