

ESTATE PLANNING PITFALLS TO AVOID

Death and taxes are inevitable. A proper estate plan will ensure your assets are distributed according to your wishes. However, implementing an estate plan is often avoided or delayed due to its emotional nature. Prioritize this part of your planning to avoid these common pitfalls:

1

MISSING KEY DOCUMENTS

Wills and powers of attorney allow you to make your wishes clear, legally protect your assets, and save your family time and money.

6

NOT TAKING ADVANTAGE OF TRUSTS

Trusts can help avoid probate costs and delays, may receive tax benefits, provide beneficiaries with protection, and govern the private transfer of your assets.

2

NOT UPDATING KEY DOCUMENTS

Update your documents if your state of residency changes, you have a child, your marital status changes, you inherit assets, or your goals change.

7

KEEPING LIFE INSURANCE IN YOUR ESTATE

Owning life insurance in an irrevocable trust can avoid adding to the taxable value of an estate.

3

IMPROPER BENEFICIARIES

Make sure retirement accounts and insurance policies have primary and contingent beneficiaries that accurately reflect your current situation and intentions.

8

FAILURE TO CONSIDER LIFETIME GIFTS

Gift and estate tax legislation changes. You may wish to take advantage of exemptions while you are living.

4

INSUFFICIENT LIFE INSURANCE

Make sure your spouse and family can meet their financial obligations with appropriate life insurance coverage.

9

FAILURE TO CONSIDER YOUR SPOUSE'S ESTATE

Depending on your situation, leaving too much to your spouse or holding too much joint property may not be best.

5

INSUFFICIENT ESTATE LIQUIDITY

Ensure your real estate, business interests, and illiquid assets aren't sold hastily to cover estate costs.

10

NOT HOLDING BUSINESS KEY PERSON INSURANCE

Key person insurance protects your business and the value of your estate by providing liquidity at a critical time.

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LEGACY PLANNING STRATEGIES

When it comes to legacy planning, the first question to ask yourself is who do you want to impact and when? Financially planning for your legacy helps ensure that your assets are distributed smoothly and in line with your wishes, while also minimizing income, gift, and estate taxes. The strategies below can be valuable regardless of your financial situation—but range in complexity. Contact your CAPTRUST financial advisor to discuss the best strategies to achieve your legacy planning goals.

LESS COMPLEX ↓ MORE COMPLEX	FAMILY/INDIVIDUALS		PHILANTHROPY	
	NOW	FUTURE	NOW	FUTURE
	Annual exclusion gifting	Beneficiary and payable on death (POD)/transfer on death (TOD) designations	Annual gifting (cash, securities, etc.)	Beneficiary and payable on death (POD)/transfer on death (TOD) designations
	Lifetime exclusion gifting	Irrevocable life insurance trusts (ILIT)	Donor-advised funds (DAF)	Charitable remainder trusts (CRT)
	Intrafamily lending	Grantor retained annuity trusts (GRAT)	Qualified charitable distributions (QCD)	
	Installment sales	Spousal lifetime access trusts (SLAT)	Charitable lead trusts (CLT)	
	Family limited partnerships (FLP)	Intentionally defective grantor trusts (IDGT)	Private foundation	

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