



Estate Planning Strategies

This report discusses Estate Planning Strategies. We talk about what a sound Estate Plan encompasses and we highlight the key tasks to complete now rather than later. To understand the full financial impact, please consult a tax professional, attorney, personal physician, spouse/partner and family members. Be aware that inheritance laws vary from state to state.

Estate planning is a subject people are understandably reluctant to discuss. What happens to your assets, as well as the interests of your family members, when you pass away or become unable to make decisions for yourself? As you may know through your legal work, establishing legally-binding documents and putting protections in place now will help ensure that your wishes are carried out instead of burdening your loved ones with the hassle of probate. **To get your estate in order, consider the following:**



Create a Will

Your will conveys your final wishes for the disposal of your estate, which may consist of assets that need disposition: savings, property, jewelry, even furniture. If you own your own law firm, you are its most important asset. You may want to consider creating a separate business succession plan that provides for your firm's sale or continuance so it can generate income for your heirs even after you cannot.

If you die without a will, your assets could be tied up in the courts for years or even decades, possibly depriving your heirs of money that instead goes to pay legal fees, probate costs, and taxes. In terms of human costs, as you may have seen in your career, disputes involving an inheritance can cause stress and can damage family relationships.



DID YOU KNOW?

Just about **30%** of adults **do** have a will. ✓

Almost **70%** of adults **don't** have a will. ✗

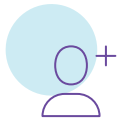


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Keep Your Beneficiaries Current

Many people believe that the terms of their will govern the disposition of their retirement account assets. Unfortunately, this is not the case. By law, the Program can only distribute the assets in your Program account to the beneficiary or beneficiaries you've designated in your account online or via a **Beneficiary Designation Form**. It is critical that you update your beneficiaries after any major life event. For example, under the terms of a retirement plan, a marriage automatically revokes any prior beneficiary designations. To designate your beneficiary(ies) or change your current beneficiary(ies), simply log in to your account at [abaretirement.com](https://www.abaretirement.com), select **Personal Information** under your profile name > **Beneficiary Information** > **Add/Edit Beneficiary**. If you previously submitted a Beneficiary Designation Form, your designation(s) will appear online and you will be able to edit them as needed.

If you die without a valid beneficiary designation in place, then the terms of the plan document will dictate the payment of the assets: first to your surviving spouse; if none, your surviving children; if none, your surviving parents; if none, your surviving siblings; then to the executor or administrator of your estate.



Name Your Executor

The person you choose to carry out your wishes, pay the applicable taxes, and handle the other myriad duties of administering your estate can be a friend, family member, or even an institution. Make sure your conversations with your executor are clear, in-depth, and frequent, should your wishes or circumstances change. For example, you may want to schedule a standing meeting with your executor annually to ensure they're aware of your most current wishes. And, don't forget to discuss the executor's fees with your executor, as they may be a significant cost to your estate.



Establish Insurance Protections

Having adequate life insurance or long-term care coverage can help insulate your estate and family against the loss of your income, funeral costs, and catastrophic health expenses.

Some famous people who died intestate were:



Howard Hughes: His supposed will was a forgery and 22 cousins eventually inherited his estate.²



Prince: In 2016, Prince not only died without having an estate plan in place, he hadn't even created a will for his estimated \$300 million estate.³



Pablo Picasso: It took six years and cost the estate \$30 million to divide his assets among six heirs.²



Abraham Lincoln: Ironically, he was a lawyer long before he was President. It took over two years to settle his estate.²



Provide for Your Children

If you have minor children or children with special needs, decide upon their guardian with your spouse or partner should you and/or their other parent no longer be living. Understandably, this decision can be emotional and one you would rather put off. If you and your spouse or partner have not properly named a guardian, a family court will appoint a guardian instead. In addition, consider creating trusts to fund your children’s care and education.



Know the Tax Implications

Even if you have a will and estate plan in place, consult regularly with your tax professional and financial professional, as federal and state inheritance and estate taxes can change and therefore alter the eventual value or succession of your assets.



Discuss Everything Beforehand

You might consider funeral planning to ensure that your services are conducted in accordance with your wishes and in order to spare your family from making these decisions in the immediate period after your death. **Avoid surprises:** if you’re leaving one child with his or her Grandmother’s treasured china instead of another, make both children aware of this decision in order to defuse hurt feelings. Make sure your spouse or partner is aware of your decisions and the location of the documents that spell them out—including any online accounts and passwords.



Have a Living Will/ Power of Attorney

You can relieve your loved ones of stressful or painful decisions with these two documents. A living will or health care proxy clearly states your wishes or establishes the person who may speak on your behalf with respect to health decisions if you are no longer able to make and communicate these decisions. A durable power of attorney allows you to appoint someone to make financial decisions on your behalf.



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1 <https://www.caring.com/caregivers/estate-planning/wills-survey/>

2 Bostwick, Heleigh. "9 Famous People Who Died Without a Will." (April, 2024) Posted on Legal Zoom. <https://www.legalzoom.com/articles/10-famous-people-who-died-without-a-will>

3 2023 Business Insider article: <https://www.businessinsider.com/12-famous-people-who-died-without-will-picasso-prince-2023-8#prince-11>

Please read the Program Annual Disclosure Document (April 2025) carefully before investing. This Disclosure Document contains important information about the Program and investment options. For email inquiries, contact us at: contactus@abaretirement.com and include your 6-digit plan number.

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