



2023 ESTATE PLANNING



WHAT IS AN ESTATE PLAN?

An estate plan is a collection of documents that protects your assets, your personal property, and even your healthcare wishes at the end of your life and after you pass away. It provides your loved ones and courts with instructions on how your property and affairs should be settled after your death.

WHY IS IT IMPORTANT TO HAVE AN ESTATE PLAN?

An estate plan accomplishes a wide range of important objectives, including:

- Giving you control over who gets what after you pass away.
- Protecting your heirs from paying fees, taxes, and probate costs.
- Distributing your assets to heirs quickly and avoiding probate delays.
- Designating a trusted individual to make healthcare and financial decisions if you are unable to.
- Respecting your end-of-life health care wishes.

WHAT IS PROBATE?

Probate is the legal process for settling an individual's estate after they pass away. Some of the activities in probate could include:

- Validation of the will.
- Inventory of the deceased individual's property.
- Property appraisal.
- Payment of outstanding debts and taxes.
- Distribution of assets.

This process can be costly and time consuming. The estate may have to pay court costs, taxes, real estate fees, appraisal costs, and more. That reduces the amount of assets distributed to your heirs.

Probate can take up to 24 months in some cases. Assets in probate cannot be distributed to heirs until probate is complete.

DO ALL ASSETS GO THROUGH PROBATE?

No! Probate laws vary by state, but generally beneficiary-designated assets avoid probate and are distributed directly to beneficiaries.

These assets include:

- Qualified retirement plans like 401(k)s.
- IRAs.
- Life insurance.
- Annuities.
- Assets inside of a trust
- And more.

END-OF-LIFE PLANNING

The following documents are generally used to pass assets and define your wishes as you approach end of life:

- **Living Trust:** You can assign assets to the trust and then have your successor trustee manage those assets should you become unable to make decisions for yourself. Upon your death, the assets are distributed to your beneficiaries.
- **Financial Power of Attorney:** Designates a trusted individual to make financial decisions on your behalf if you are unable to do so.
- **Living Will:** Provides end-of-life care instructions to your family and healthcare providers.
- **Medical Power of Attorney:** Designates a trusted individual to make medical decisions on your behalf if you are unable to do so.

Your estate plan can protect your assets during your final days and even after you pass away. It can also help your family make good decisions with the confidence that they're acting in accordance with your wishes.

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2023 ESTATE TAX EXEMPTIONS

Amount over \$12.92M Exemption	Tax Rate
\$0 - \$10,000	18%
\$10,001 - \$20,000	20%
\$20,001 - \$40,000	22%
\$40,001 - \$60,000	24%
\$60,001 - \$80,000	26%
\$80,001 - \$100,000	28%
\$101,001 - \$150,000	30%
\$151,001 - \$250,000	32%
\$250,001 - \$500,000	34%
\$500,001 - \$750,000	37%
\$750,001 - \$1,000,000	39%
Over \$1,000,000	40%

<https://www.kiplinger.com/taxes/601639/estate-tax-exemption-2022>