



Estate Planning: Who Needs It and Why?

Estate Planning. The name makes it sound like something only the wealthy might need. But really, it's a process everyone with assets—and beneficiaries—needs. It involves looking at what you own, deciding to whom you wish to give some or all of it and determining the best way to accomplish that distribution in a timely fashion with the least tax impact on those you've chosen to include in your trust. As for why you need Estate Planning, the answer is simple: today's tax laws are complex and often confusing. To avoid making costly and time-consuming mistakes, it's a good idea to have a professional, trusted advisor. The following are some estate planning basics.

Naming Beneficiaries Is Not Enough.

Many people believe that if their assets are jointly held and they've named a spouse as beneficiary of their life insurance policies and retirement plans, they've done an adequate job of estate planning. Maybe they haven't. For one thing, this simple plan does not account for a situation where you and your spouse pass away in a common accident, especially if it would result in leaving minor children behind. In such an instance, all joint assets, insurance payouts and retirement fund proceeds would be handed over to the state which then decides what is best for your remaining family. This includes who will be the legal guardian of any minor children.

Don't Take Chances; Plan Ahead.

The above is just one example of potential consequences of not having an estate plan. There are many others. Most of these situations can be avoided with the presence of a will or trust containing specific provisions detailing how your assets should be distributed, managed and in the case of minor children, who you have chosen to be their legal guardian.

Expert Help Is Close At Hand.

Local Government Federal Credit Union (LGFCU) and MEMBERS® Trust Company recognize that many people may be in a situation similar to or even more potentially disruptive than this. We also know that many of you may not be aware of just how vulnerable you are. That's why we urge everyone to call and make an appointment to discuss their trust and estate planning needs with one of our specially trained trust officers. LGFCU members should call our trust officer/Certified Financial Planner® at 919.755.0534.

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