



An Essential Estate Planning Guide

Whos, hows, whys and “what ifs”



There's no easy way to say this.

One day, hopefully many years from now, you won't be here.

But despite this universal certainty, only 33%¹ of us have created a formal estate plan.

Admitting mortality and documenting end-of-life decisions isn't fun. However, we believe it's a **necessary responsibility**. Otherwise, you're leaving consequential decisions to others. A stranger or a bureaucrat could divvy up and decide what happens to the wealth you earned.



You probably don't want that.

If you're one of the 67% of Americans who hasn't started thinking about what happens when they're gone, I encourage you to keep reading.¹

You will learn:

- **Best- and worst-case scenarios**
- **Common estate plan documents**
- **Who to talk to**
- **What should be in your estate planning checklist**

Our hope is that, if nothing else, you will begin to realize the importance of an estate plan for you **and** your loved ones.

Tim Adams, CIMA®
Owner, President
The Princeton Group

Common ESTATE PLANNING Misconceptions



It's common for people to come up with reasons to delay creating a formal estate plan. These are the excuses we hear most often.

“I'm not near rich enough to worry about this.”

It doesn't matter if you have ten cents or 10 billion dollars. **Everyone needs an estate plan, because an estate plan deals with so much more than what you leave behind.** Accidents don't tell you when and where they're going to happen. They can occur to anyone, anytime. And if you become incapacitated, you'll need a durable power of attorney in place to ensure your wishes are honored.

only **18%** of
Americans have a durable
power of attorney.

Source: Despite Their Priorities, Nearly Half Of Americans Over 55 Still Don't Have A Will (forbes.com)

“I know I should. I just can't afford a lawyer to help me.”

Yes, you'll have to pay an estate attorney (unless you have a friend or family member who happens to specialize in estate law and will work pro bono). But *not* having a professional's help might prove more costly. Here's why: Any estate without a formalized plan will likely need to go through probate, which carries a cost that varies by state.

Probate costs can equal
up to **8%** of the
estate's value, depending
on the state.

Source: How Much Does Probate Cost? - SmartAsset.
<https://smartasset.com/estate-planning/cost-of-probate>

“I can just do it all online.”

Estate templates exist online, but unless you are **100%** confident in the outcome, we don't advise this for several reasons.

- The template may not be specific to your state
- The template may be out of date
- The template may lack specifics for your situation, such as care for a dependent with special needs.

A will must be valid
to be executed, so it's wise to
periodically review to
account for changes in law.

THE PRINCETON PERSPECTIVE: “Time is undefeated” may be cliché, but it also happens to be true. Estate planning is a responsibility and a long-term approach every adult should use to address the inevitable.

What's the BEST that Can Happen?

Having an estate plan is kind of like going to the dentist for a checkup; you know you should, but you might not make it a priority. Here are some benefits to help jolt you into action:



A. Your assets end up where you want.

You made your wealth. **You** bought your house. **You** earned what you have. So, **you** should decide what happens to your assets — down to the last penny. Do you really want the state to dictate what happens to it all? That's what happens *without* an estate plan, meaning your assets might be dispersed equally among your next of kin, even though you would prefer to leave more to one family member than another.

B. Protecting loved ones from undue stress.

With no formal plan in place, your estate goes through probate. Believe us: This is something you *don't* want to put your family through. The wheels of justice turn slow, and probate prolongs an already emotionally intense period — **sometimes by years**. An estate plan can drastically reduce the settlement timeframe to weeks or a couple of months.

C. Decisions are made in your best interest.

If you become incapacitated, *someone* will need to make decisions for you. Wouldn't you prefer it be someone you trust? For example, if you want to give power of attorney to your best friend, that's what will happen. Otherwise, the state will likely appoint a blood relative without a plan in place.

D. Dollars and cents.

Estate plans can help preserve your wealth. Specific vehicles, such as trusts, can greatly minimize the amount of estate taxes your heirs pay. Trusts can even protect your assets from creditors.

WORST-case Scenarios



Now that you have a firmer grasp on the benefits of establishing an estate plan, let's cover the dangers of leaving things to chance:

A. **Conflict and courtrooms.**

You probably want to believe that your family would handle things harmoniously. However, according to a WealthCounsel survey, 35% of Americans² have personally experienced conflict or know someone who has without a formal document to follow.

B. **Funeral and burial complications.**

Do you want to be buried or cremated? Have an open or closed casket visitation? Should your ashes be scattered somewhere special? If you tell just one person what you want and they become incapacitated, **your literal dying wishes may not be granted** – and the final decision of what happens to your body shouldn't be left to chance.

C. **Unintended beneficiaries.**

Pretend that you pass away in the middle of divorce proceedings and there is no will in place. The entirety of your estate might go to your soon-to-be-ex-spouse. Remember, we're discussing worst-case outcomes here and this scenario, however unfortunate, has happened to others.

D. **Your personal information could be made public.**

The probate process is public, meaning anyone can access information about your estate, such as the value of your assets and the names of your beneficiaries. You may wish to protect your privacy by creating a trust.

Key Components of Your ESTATE PLAN



Perhaps there is no better example of the pen being mightier than the sword than in estate planning. The documents and directives you sign serve as the legal basis for how your estate will be governed.



Wills specify how you want your property to be distributed upon your death. Property in this case can mean your physical possessions, digital holdings or liquid assets. In a will, you can also name a guardian for your minor children and an executor for your estate.



A trust is a legal entity that holds and manages assets on behalf of your beneficiaries until they reach a specific age or other designated circumstances occur.



Powers of attorney authorize someone to act on your behalf in certain situations. Common types include:

- **Durable power of attorney** allows someone to make decisions on a wide range of matters. This remains valid even if you become incapacitated.
- **Medical power of attorney** authorizes someone to make healthcare decisions on your behalf, such as whether or not to pursue life-prolonging emergency treatment.
- **Financial power of attorney** allows someone to make decisions such as deposits or withdrawals on bank accounts or buying or selling real estate.



A healthcare directive outlines what you wish to happen in certain medical situations. For example, you may wish to specify when a “do not resuscitate” (DNR) or “do not intubate” (DNI) are to be applied, depending on the circumstances. This directive might be able to replace the need for a medical power of attorney.



Beneficiary designations are exactly what they sound like: this is a way of naming the entities who will inherit specified assets upon your death. Doing so expedites the transfer of possessions and helps avoid probate.

THE PRINCETON PERSPECTIVE: Putting things in writing takes the guesswork out of your wishes, while practically eliminating the chance of misinterpretation. Otherwise, people will make decisions based on what they think you would want.

Constructing Your ESTATE PLANNING Team



Just as your estate is made of many objects and assets, your estate planning team should be made of diverse experts in their field.

You may not need everyone mentioned here based on your specific situation or wishes, but you should be aware as you begin to think more seriously about this life decision.

ESTATE ATTORNEY

For many reasons, if there is one person to have on your team, it should be an estate attorney.

These professionals will help you:

- Understand the estate planning laws where you live
- Choose the appropriate planning tools for your needs
- Draft and execute your estate planning documents correctly
- Review and update your estate plan on a regular basis

EXECUTOR

This individual is normally court appointed. They are tasked with:

- Reviewing provisions of your will
- Locating heirs
- Managing the probate process
- Obtaining trust assets that are payable on death, such as life insurance

TRUSTEE

This person assumes the role in writing. Their responsibilities include:

- Administering the trust, typically without court oversight
- Monitoring assets for quality and preservation while recognizing near-term distribution requirements
- Keeping the trust operational for the lifetime of your surviving spouse or one or more beneficiaries

A trustee and executor have similar roles and can be the same person in some circumstances. By law, both must be faithful to the decedent's instructions.

TAX PROFESSIONAL

Following tax laws and regulations can be complicated. Things can get even more complex with an estate. Tax professionals assist with:

- Preparing or filing Form 706 (Estate Tax Return), as well as the final income tax return for the decedent
- Evaluating the current and projected value of assets and the best ways to reduce tax liability
- Optimizing distributions and their associated timing to maximize the amount of wealth that passes to beneficiaries

FINANCIAL ADVISOR

Financial advisors play a complementary – but important – role that rounds out a comprehensive estate planning team. Their duties include:

- Funding or selecting appropriate assets to transfer to established trusts within your estate plan
- Reviewing and adjusting your estate plan based on your personal or financial situation
- Updating beneficiaries for retirement accounts, life insurance policies, annuities and other assets passing outside of your will

THE PRINCETON PERSPECTIVE: Assembling the members of your estate team is something you'll want to take seriously. Talk to multiple professionals before making a final decision. We can gladly recommend specialists if you don't know where to start.

Your Recommended “MUST HAVES” and “MUST DOS” Checklist

Every estate plan is different, but commonalities exist.

Here are some items to consider so your affairs are in order when the time comes:



Last Will and Testament

- Name a guardian for minor children
- Name a guardian for your pets
- Outline medical care preferences
- List all personal property and outline which people/charities will receive specified assets
- Name an executor to carry out the terms of your will

Proof of Identity Documents

- Social Security card
- Birth, marriage, and divorce certificates
- Prenuptial agreements (if any)

Insurance Policies and Financial Information

- Gather copies of your life, health, car and home insurance policy documents
- Create a list of your financial accounts and institutions (e.g., bank accounts, credit cards, mortgages and loans)

Digital Logins and Passwords

- Consider naming a digital executor in your will
- Bank & financial accounts
- Social media & email accounts
- Streaming services
- Digital files, like photos & documents

Funeral Instructions

Create a list of your funeral preferences:

- Burial, cremation, etc.
- What type of service you'd prefer
- Passages you want read
- Preferred charities for donations
- Whether or not you prefer flowers

THE PRINCETON PERSPECTIVE: There is no such thing as being over-prepared when it comes to an estate plan. Taking the time to gather what is outlined here — and more — will only help make things more manageable when needed.



You can't completely control how, when or where you will die.

But you *can* control what happens to your estate when you do by making a plan.

It doesn't need to happen in a day, a week, or even a month. The important thing is you decide to start, preferably **now**.

If you feel overwhelmed, please reach out. Everyone at The Princeton Group Oxford Harriman & Company has connections and can introduce you to trusted professionals in this space.

Schedule a Meeting with a Financial Advisor from The Princeton Group:

Yardley, PA

267.392.5189

Philadelphia, PA

267.758.9944

Collegeville, PA

267.227.0935

Cherry Hill, NJ

856.452.7100

Margate, NJ

609.246.7601

Wilkes-Barre, PA

570.852.5500

Clarks Summit, PA

272.722.2092

Norcross, GA

678.585.6513

Arlington Heights, IL

866.870.8750

Bluffton, SC

854.429.0037

1. <https://www.cNBC.com/2022/04/11/67percent-of-americans-have-no-estate-plan-heres-how-to-get-started-on-one.html>

2. https://craft.wealthcounsel.com/images/articles/Estate-Planning-Awareness-Survey-2016.pdf?_ga=2.267572558.1571468355.1698697651-565473383.1698697651

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