

# your estate matters

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## Family Get-Togethers...

### ...Could Be the Perfect Time to Talk About Your Estate Plan

You've created a comprehensive estate plan that protects your assets and carries out your wishes. Great!

However, it is crucial that you do not overlook an important step in the process: Communicating your intentions, and the reasoning behind those intentions, with your loved ones.

Even if your plans are simple, discussing the details of your plan with heirs and family members can help prevent disagreements or controversies that could occur when you pass away. Studies show that the majority of people who pass away never discussed their estate plans with their children—and as a result, many of their heirs later argued over inheritance issues.

A family or holiday get-together can be the perfect time to make your estate planning intentions clear—and reduce the possibility of arguments or tension after you are gone.

Whether or not the provisions of your trust are atypical, communicating with everyone involved is absolutely critical. For

example, say you plan to leave most of your assets to one child instead of splitting them evenly between your children. "Fair" does not always mean "equal," especially if one child has special needs. If that's the case, let everyone involved know the reasoning behind your decision. Resentment can easily boil over into open conflict when heirs are surprised by what they perceive as unfair treatment.

The same holds true for personal property that is of low monetary value, but high sentimental value. Create a Tangible Personal Property list that specifies who receives certain items. Specifying the items and the recipients, then signing and dating the list is legally enforceable if it is referenced in your estate plan. Or if you prefer to let your heirs decide for themselves, create a system to allow your heirs to take turns choosing the items they want.

Take the time to have these conversations with your loved ones, because family discord is the last thing you want to leave behind.

## Tips for Healthier Recipes

Eating healthier doesn't always require changing the meals you eat. Try changing a few recipe ingredients instead:

- ➔ **Use less fat.** Use less oil when frying and switch to oils high in "good" fats, like olive oil for dressing.
- ➔ **Use less salt.** Replace salt with other seasonings. Or simply use less salt than the recipe calls for and then season to taste.
- ➔ **Add more fiber.** Opt for whole grain flours, rice, and pasta. This is a great way to increase your fiber with a small change.
- ➔ **Use less sugar.** Cutting a recipe's amount of sugar by one-fourth, often will not impact the taste, especially if you're baking items that include fruits or other natural sweeteners.
- ➔ **Swap healthier cheeses.** Consider low-fat alternatives. Or try types of cheese with stronger flavors so you use less and still enjoy the same level of flavor.
- ➔ **Reduce condiment use.** Butter, mayonnaise, syrup... condiments are typically high in fat, sugar, sodium, and calories. Try substitutes like healthy oils, fresh fruits, and non-fat spreads.

# Want to Leave a Lasting Legacy?

## Pass on More Than Just Things

Think of the word “inheritance” ...the first thing you may think of is “money,” which is why traditional estate planning focuses primarily on transferring your hard-earned assets to your heirs.

Yet where your loved ones are concerned, the legacy you pass on includes significantly more than money. Your memories, wisdom, values, and family history are even more valuable. Once they are lost, they can never be recovered—create a plan to pass on that legacy, too.

Start by writing or recording the stories your parents, grandparents, and relatives shared with you. Pass on the values and lessons you learned. Talk about what you have learned about life, money, success, relationships, and faith. Tell the story of your life: Why you made certain decisions, what you learned from certain mistakes, why you succeeded and why you failed, and what you would do differently if you could.

Recording your family history allows those who came before to live on in the memories of those who come after.

Another great way to preserve memories is to create photo albums and include names, dates, and descriptions. You could also create a website to share photos and stories and allow family members to add their own.

Then, think about the items you own that have more emotional value rather than financial: your wedding ring, your grandfather’s watch, or a table that has been in your family for generations. Use a Tangible Personal Property list to designate whom you wish to inherit those specific items. But don’t stop there: describe what those items mean to you, and why you chose these recipients to have them.

That way they will someday be able to pass on your family’s legacy to their descendants as well. Create a plan to leave a lasting legacy. You will be surprised by how fulfilling the process can be.

## The 7 Goals of an Effective Estate Plan

An effective estate plan—one customized to your unique circumstances and needs—accomplishes the following:

**Minimizes Federal and State Estate Tax.** An effective estate plan minimizes the amount of taxes owed and maximizes the amount of assets inherited by loved ones. Trusts can be used to remove assets from the taxable estate. Properly planning for the use of state estate tax exemptions can avoid a hefty tax bill when the second spouse passes away. Life insurance can be used to offset estate or other taxes owed. Depending on your individual circumstances, other estate planning strategies can be utilized.

**Provides Protection for Assets If Children Get Divorced.** Leave an inheritance outright to an adult child and his or her spouse can claim a share of those assets in a divorce. But when you leave the inheritance in a trust, those assets are typically not considered part of the marital estate. With proper planning, a trust can leave your assets to your children in a way that reduces the ability of ex-spouses to take the inheritance from them.

**Provides Protection from Living and Death Probate.** If you become disabled or are unable to manage your estate while you are alive, your successor trustee will step in and manage your affairs without outside interference and expense. After your death, an effective estate plan avoids the delay and cost of death probate, the legal process by which your assets that are titled in your individual name are inventoried and eventually distributed to your creditors or heirs.

**Provides Remarriage Protection.** Effective estate plans include provisions to ensure wishes are carried out, even if a spouse remarries. For example, if assets are left outright to a surviving spouse and the surviving spouse remarries, the assets of the first spouse to die could be lost to the new spouse in a divorce. Also, the assets of the first spouse to die could end up going to subsequent children the surviving spouse has with the new spouse or even to children the new spouse brought into the marriage. A plan can avoid these risks by leaving the assets of the first spouse to die in a trust for the benefit of the surviving spouse.

**Provides Protection from Nursing Home Costs.** Medicaid covers nursing home costs, but only after available income and assets have been utilized. An irrevocable trust can make assets unavailable and therefore exclude them from Medicaid eligibility calculations.

**Provides Asset Protection from Lawsuits and Creditors.** An effective estate plan can also protect the assets you pass on to your children from lawsuits or creditors. Generally speaking, creditors cannot force a distribution from a trust designed for creditor protection, but they can make claims against principal and income that have been distributed directly to your children. In short, assets are safe as long as they remain in the asset protection trust.

**Provides Peace of Mind and Family Harmony.** Ultimately, your estate plan should protect and provide for your family and ensure your loved ones are taken care of after you’re gone. Knowing your loved ones will be taken care of long after you’re gone—that feeling is priceless.

## Can You Guess this Legacy?

She left New York and moved to New Mexico, working odd jobs to help support her family. She later moved to Los Angeles in hopes of building a show business career, landing small parts on several TV shows including a recurring role on *Happy Days*. This led to a starring role in a long-running hit series. Her success didn't stop there, she went on to leverage her acting career to become one of the first female directors to reach A-list status with films like *Big* and the Oscar-nominated *Awakenings*.

While she reached the top in two fields—famous both for playing Laverne on *Laverne and Shirley* and for directing the classic film *A League of Their Own*—Penny Marshall helped break down barriers for female filmmakers, paving the way for future generations of women to follow and achieve their own cinematic dreams.

*What will your legacy be?*

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