

# Strategies

A RESOURCE FOR THOUGHTFUL PLANNING

Somerset Health Care Foundation | Fall 2024



## Estate Planning Awareness Week

October 21-27, 2024 is **National Estate Planning Awareness** week. Established in 2008, through U.S. House of Representatives resolution 1499, the goal of this designation is to remind the public that estate planning is an essential part of overall financial wellness. A proper estate plan ensures that your intentions for family, other loved ones, and perhaps your favorite charities, are properly met.

## What is an Estate Plan?

Estate planning, simply defined, is the process of thoughtfully providing for the efficient transfer of your assets to your family and other loved ones in accordance with your wishes. It typically begins with the writing of a will but may also involve trusts, naming beneficiaries of investment or retirement accounts, selecting guardians, and providing for your favorite charities, to name a few.

Estate planning is often a sensitive subject; one that many people continue to postpone or avoid altogether, leaving their true intentions unknown. There are also the misconceptions that estate planning is only for the elderly or the wealthy. But having a plan, even in the simplest way, is essential for everyone.

**64%**

of Americans think having a will is important, yet only

**34%**

of Americans have an estate plan.

**Procrastination** is the main reason people give for not having a will. The perception of not having enough assets is the second most popular reason.

(Source: Caring.com)

### Getting Started:

5 Steps to Begin Your Estate Planning

#### Step 1

##### Inventory your assets

Compile a list of your assets and their value. Once organized, start thinking about what to do with them. Assets include savings accounts, retirement or investment accounts, vehicles, real estate, jewelry and family heirlooms.

#### Step 2

##### Think about your priorities

Before you get down to the specifics of planning, consider your priorities and goals. Who are you looking to provide for? What are you looking to achieve?

#### Step 3

##### Identify your beneficiaries

Make a list of the individuals and organizations that you want to provide for in your estate plan. Note any conditions that might determine the method and circumstances.

#### Step 4

##### Call a family meeting

If applicable, work closely with your spouse from the beginning. Coordinating plans between spouses often leads to additional savings for your estate. You may also want a meeting to discuss your plans with children or other family members.

#### Step 5

##### Seek professional assistance

Even if you only need a simple will, it is advisable to seek the help of a qualified attorney and, as needed, other professional advisors. Professional guidance is most often a worthy investment to ensuring a proper plan.

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## Planning Essentials: Advance Directives

Advance directives are legal documents that assure you will be cared for as you wish, when and if you are incapacitated.

There are two kinds of advance directives: instruction directives (“living wills”) and proxy directives in which you designate a person with “durable power of attorney” to make decisions on your behalf. Many people choose to combine these two kinds of directives, stating their general preferences and designating an agent to make specific decisions.

To decide what’s right for you, begin a conversation with your physician or legal advisor.

## Don’t Forget Your Beneficiary Designations

A beneficiary designation (not your will) names the individual or charitable organization that will inherit certain assets, such as pay-on-death bank accounts, life insurance or a retirement account, when the account owner passes away. Naming a beneficiary gives you control over who gets an asset after your death.

If no beneficiaries are named, and the account(s) does not have an automatic provision naming them, the asset(s) will likely pass into probate. This can cause delays, additional costs, and tax consequences for your heirs.

Remember to also name contingent beneficiaries in case the primary beneficiaries predecease you. And ensure you coordinate beneficiary designations with your will or trust because they **take precedence** over your will or trust.

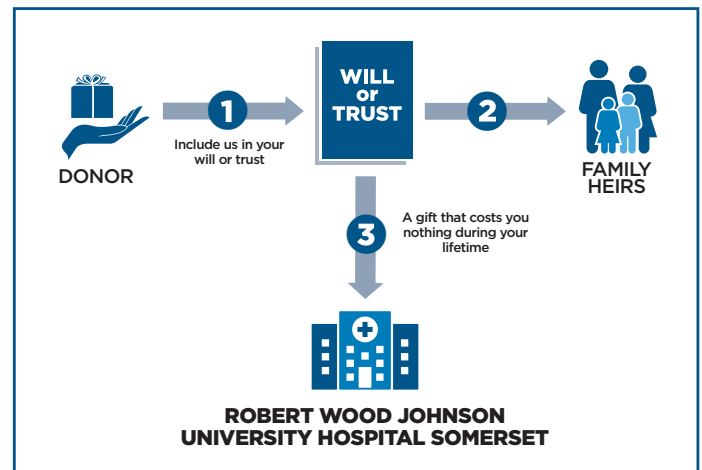
### Tip!

Be sure to review your beneficiaries on an annual basis as situations may change. In most cases, beneficiaries can easily be added or updated on your plan’s website.

## Your Will. Your Legacy. Our Future.

If you are passionate about health care in our community or are grateful for the care you or a loved one received, you may wish to consider including the hospital in your will. Known as a bequest, this forward-thinking gift has several advantages.

- **It’s Simple.**  
Typically all it takes is one sentence in your will or trust.
- **It’s Versatile.**  
You can leave a specific dollar amount, a percentage of your estate, or the remainder of your estate after providing for your loved ones.
- **No Immediate Cost.**  
Your gift will not affect your current cash flow and always allows you to maintain control of your assets.
- **Specific Impact.**  
Your gift can be designated to a specific area of interest such as cancer services or cardiology.
- **Flexibility.**  
You can adjust your gift as circumstances may change.



*Intended as general information only.  
Please consult your own tax, legal, or financial advisor.*

## Impact together.

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**Write:** Return the enclosed card

**Visit:** [rwjsomersetgiving.org](http://rwjsomersetgiving.org)

**Call:** Greg Ellmer at 973-322-4302

**Email:** [Gregory.Ellmer@rwjbh.org](mailto:Gregory.Ellmer@rwjbh.org)



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