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Welcome! Mention estate planning and eyes glaze over because most people feel it's only for those with lots of money. But think of estate planning as answering two questions: Who gets my stuff? and Who makes decisions for me when I can't? Then it's clear that estate planning is for everyone.

This month, we're focusing on the basics -- the who and why of estate planning. Read on and remember we're here to help you stay *On Course*.

-Jennifer Lane, CFP

Estate Planning

Who gets your stuff? Who makes decisions for you when you can't?

You Need an Attorney

Here's one area where you need expert help for sure. Laws and regulations change, particularly state and federal estate tax laws. Those you are asking to act on your behalf need to understand what their responsibilities are. Use an attorney to create your

- Will
- Power of Attorney
- Healthcare Proxy

When You're Gone

Wills outline what your wishes are for children as well as distributing your assets and possessions.

- If you have children under 18, they need a guardian and financial security.
- Designate gifts of money, jewelry, and other possessions.
- Give to your favorite charities.

When You Can't Make Decisions For Yourself

- **Power of Attorney** gives your designee the legal ability to handle your affairs and implement your wishes.
- **Healthcare Proxy** outlines how you want to be treated in critical medical situations and names the person or people who can make those decisions when you are not able.

Digital Estate Plan

What happens to your Facebook and Twitter accounts? What about your email? This uncharted and rapidly changing environment has created a new set of challenges because digital providers have strict policies about access.

- Keep written documentation of accounts and passwords.
- Look for new services to help with documentation such as [SecureSafe](#).
- Decide what electronic legacy you'd like to leave.

Once you have the estate plan complete, literally touch it yearly to make sure you know where it is and can find it when you need it. Every four to five years, carefully review with your attorney to update beneficiaries and account for tax and estate law changes.

In This Issue

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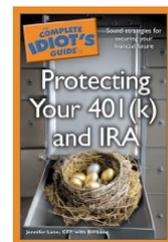
[Monthly Tip](#)



Jennifer's Hint

One of the useful provisions of the tax law is that you can leave your IRA to your kids and they can take withdrawals over their lifetime. If your account is held with a trustee that allows it -- double-check to make sure -- your kids can inherit the IRA and then transfer the funds into an account that is still in your name but is now registered as a beneficiary account for their benefit. Minimum withdrawals are required, but they can be made over the child's longer life expectancy -- extending the time the money stays tax-deferred.

Get more tips in Jennifer's book



(click for link)

Helpful Websites

www.Deathswitch.com

www.ifidie.org

www.LegacyLocker.com

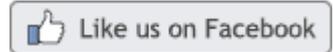
www.SecureSafe.com

Q&A

Q: We are in the process of estate planning and are wondering if we should begin giving our investments to our children now rather than after we're gone. How do we decide?

- Brandon from Lynnfield

A: Brandon, this is a complex question. If you gift investments, your children receive the tax basis (what you paid for them). If they get the investments as an inheritance, then they get a stepped-up basis to the value of the asset when you die. Remember, you can't get it back after you gift it so be sure you won't need it. You need to consider whether your estate will be subject to estate tax and the difference between your tax bracket and your children's, and then decide whether to hold it or gift it now. This is a good example of when an attorney familiar with estate tax laws and planning can be helpful.



What's New

- **Jennifer's Compass.** Jennifer recently answered **NECN viewers' questions about paying off debt.** Check out her [blog](#) to see the video.
- **We now have a Facebook page.** Visit www.facebook.com/AskJennifer and like us!
- **Jennifer appears on NECN every other Monday morning at 9:30 am in addition to her Tuesday 6:30 pm appearance.**

[Compass Planning Associates](#) helps families, individuals, and small-business clients achieve financial security, knowledge, and control over their money. Our **fee-only, client-centered approach** provides education and guidance for achieving financial goals and dreams.

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