

Year-End Estate Strategies

What you need to know to get ready for the end of the year.

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With one year ending and a new one on the cusp of starting, many people will consider their resolutions—not their estate strategy. But the end of the year is a great time to sit down and review your preparations, especially when you're spending more time with your loved ones; even more important if you have a complicated estate that may need to get managed after you're gone.

Call a family meeting. Many people don't let their family know their wishes or who is appointed to handle the estate. While two-thirds of Americans say that the pandemic has brought them closer to their family, only 28% of those 65 and older have started discussing their estate strategy with their families.^{1,2}

You may be able to get ahead of any potential family issues down the line by discussing your wishes, what needs to be handled by your estate, and reviewing what you have in place. No one wants to think about their family members passing away, but an awkward conversation now may mitigate future problems.

Get organized. Ensure that your documents are up to date and remain aligned with your wishes. Two things to consider are a financial power of attorney and a power of attorney for your healthcare needs. Both can play a role should you become too ill to make decisions.^{2,3}

Also, consider adding "Transfer on Death" or "Pay on Death" to ensure that your spouse or surviving relatives can have access to your accounts.^{2,3}

Be flexible. Tax law changes adjust and change over time. For example, the SECURE Act, which went into effect at the end of 2019, did away with "stretch IRAs." The change forced some to consider a new approach to that portion of their estate. Your estate strategy should be flexible enough to adjust to whatever happens.⁴

As you talk about your estate with your family and set your preparations in motion, the end of the year is a great time to connect with your financial professional, tax attorney, and estate attorney.

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Citations

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