

Creating a Bright Future for Your Family



Estate Planning Guide



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Do You Need an Estate Plan?

Anyone who owns property — a home, a car, a bank account, investments, business interests, a retirement plan account, collectibles, personal belongings, etc. — needs an estate plan. An estate plan allows you to direct how and to whom your property will be distributed after your death. If you have no estate plan at all, your property could be distributed according to your state's intestacy laws without regard to family needs or your desires.

Estate planning is an ongoing process. For a young, single person, an estate plan may consist of simply a Will. A couple just starting out might have Wills and own a modest home and bank accounts in their joint names. When children arrive, naming a guardian and arranging to provide for them in the event of unexpected death or incapacity become estate planning concerns. And, once an individual starts to realize his or her financial goals, asset preservation and avoiding taxes become important factors in estate planning.

This booklet is designed to show you the need for estate planning and the estate planning tools and strategies available to help you ensure your loved ones' future financial security and keep transfer taxes to a minimum. The booklet is not intended to take the place of professional advice. You'll want to consult with us and your other professional advisors before implementing any of the strategies discussed.

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Preliminary Considerations

The first step in estate planning is building your estate. So you may want to take time now to review your financial plan. How well is it meeting your current objectives? Will it continue to meet your future needs? Can you improve your investment program so that it will better build the estate you desire? The answers to these questions will help you in your estate planning.

Conserving Your Estate

Conserving the assets you've built is another important part of estate planning. Taxes, inflation, and unanticipated expenses can diminish the value of your estate. To protect the value of your assets, you have to plan for unexpected

expenses, such as a prolonged illness, for anticipated but out-of-the-ordinary expenses, such as retirement or a child's education, and for ordinary living expenses, taxes, and inflation. Otherwise, your estate plan may not accomplish your objectives.

Why You Need a Will

You've worked hard to build your estate. You deserve the right to determine who will receive your assets after your death. This is where a Will comes in. A Will is a legal document that allows you to direct how your estate will be administered and distributed. By exercising your privilege of making a Will, you can accomplish numerous personal and financial objectives.

If you die without a Will, a state court will choose an administrator for your estate and, if needed, a guardian for your minor children. The court's choice may or may not be individuals whom you would have selected. The court-appointed administrator will distribute your property according to the state intestacy laws, regardless

A WILL IS A POWERFUL PLANNING TOOL

Through a properly drawn Will, you can:

- Protect your family by making provisions to meet their present and future financial needs
- Minimize taxes that might reduce the size of your estate
- Name an experienced executor or personal representative who will ensure that your wishes are carried out
- Name a guardian for your minor children
- Establish trusts to manage the inheritances of any beneficiaries who may be minors or are otherwise inexperienced in asset management
- Make sure your assets will be managed prudently (by appointing a qualified trustee of a trust created in your Will, for example)
- Avoid the delays and the added expense that intestacy proceedings may involve
- Secure the peace of mind of knowing your family and other heirs will be well taken care of according to your desires



of any desires you may have expressed during life. Your children, grandchildren, or other heirs who are minors at the time of your death may automatically receive their shares of your estate outright when they reach the age of majority, whether or not they are experienced enough to manage their inheritances wisely.

A Will is the cornerstone of estate planning. If you don't have a Will, we strongly recommend that you make one. If you do have a Will, you should review it regularly to make sure it is still meeting your needs. Once your Will is written, you may exercise the right to revoke and replace the document at any time, for any reason.

Choosing an Executor

When you write your Will, you'll need to name an executor or personal representative. Your executor will administer your estate and distribute your assets to your beneficiaries, as you've directed in your Will.

You can choose almost anyone who is an adult and is legally competent to serve as executor — your spouse, sibling, friend, business associate, or financial or legal advisor, for example. You can also name a corporate executor, such as a bank trust department.

DUTIES OF AN EXECUTOR OR PERSONAL REPRESENTATIVE

The terms executor and personal representative are interchangeable and vary from state to state. The duties and responsibilities, however, are basically the same. An executor generally:

- Collects and provides safekeeping for the estate's assets
- Notifies creditors and pays all valid debts
- Collects any sums owed the estate
- Files claims for retirement plan benefits, Social Security benefits, and veterans' benefits
- Manages the estate's assets
- Sells assets, as directed by Will or required by state law, to pay estate expenses or legacies
- Keeps detailed records of all estate transactions and submits records to beneficiaries and/or the probate court
- Distributes assets to beneficiaries
- Files the decedent's final federal income-tax return
- Chooses a tax year for the estate
- Files the estate's income-tax returns
- Files state death-tax returns
- Completes and files the federal estate-tax return

Before choosing someone to serve as your executor or personal representative, give serious consideration to how well he or she will be able to handle these duties and responsibilities.



People who have never served as an executor frequently don't know what they are getting into when they agree to serve and subsequently find themselves overwhelmed by the duties required of them. So, although you have wide latitude in whom you can select, you may want to give serious consideration to naming a professional as your executor or naming a professional to serve as co-executor with a family member or friend.

Using “Will Substitutes” To Avoid Probate

Despite what you may have read or heard, a living trust can't always fully replace a Will. Neither is trying to place all of your property in joint ownership with your spouse an effective replacement for a Will. You'll find it difficult to transfer *all* of your property to a trust or title *all* of your property in both your and your spouse's names. Any property you miss will be distributed under state intestacy law if you die without a Will.

However, living trusts and joint ownership each have a place in many estate plans, for several reasons. One popular reason is to avoid probate. Probate is the court-supervised process of proving and administering a Will. This process is often time consuming and can be expensive, depending on the size and complexity of your estate. Probate also exposes your assets to public scrutiny. When your Will is probated, its terms generally become public record.

Living Trusts. A living trust is probably the best strategy to avoid probate and protect your financial privacy. A living trust is a legal agreement under which you transfer assets to the trust to be managed by a trustee for the benefit of one or more people, generally you and your spouse. The trustee is responsible for administering the trust and managing the trust assets. You can serve as your own trustee during your lifetime or you may want to choose another person or organization to serve as your trustee.

A living trust can hold all types of assets — from your investment portfolio to collectibles to your closely held business. Unlike your Will, a living trust is not a matter of public record. If your trust agreement provides for your trust to continue after your death, the assets in the trust at your death will escape probate and any ensuing publicity.

Pour Over Provisions. Living trusts have other planning advantages, as well. You can use a living trust to unify your estate's assets under one manager and provide continuing asset management for your family and other heirs after you're gone. How? In your Will, you can direct that any assets not held in your living trust be “poured over” to the trust at your death to be managed along with the other trust assets. Be aware, though, that the assets placed in the trust at your death will be subject to probate.

Joint Ownership. Property you and your spouse own jointly with rights of survivorship will pass privately to your spouse outside of probate at your death. Using joint ownership for the family home and a modest bank account or investment portfolio is a simple way to help your family's lives go on as normally as possible while your estate is being settled. Be aware, though, that using joint ownership precludes the use of other estate planning techniques that may help to save estate taxes and may have other ramifications for your estate plan.

Community Property. Community property doesn't pass automatically to your spouse. If your state has a community property law, you and your spouse each own a one-half interest in assets acquired during your marriage. So, when one spouse dies, the survivor continues owning half of the assets. The deceased spouse needs a Will to transfer the other half. Also, during your marriage, you may have acquired assets

that you own separately — gifts and inheritances. You need a Will to determine what will happen to this non-community property.

Beneficiary Designations. You may have significant assets that can pass outside of probate by beneficiary designation rather than by Will. Life insurance proceeds, qualified retirement plan benefits, annuities, and individual retirement accounts can go directly to beneficiaries instead of through probate. Check to make sure you've designated beneficiaries and secondary beneficiaries.





Understanding the Federal Estate Tax

Estate planning has become simpler for many people thanks to a higher estate-tax exemption amount and relatively low top estate-tax rate. But that doesn't mean that estate tax is no longer a concern, particularly for higher income individuals with larger estates.

Estimating Potential Estate Tax

For a general idea of how much federal estate tax, if any, would be due on your estate, estimate the current value of your estate. The worksheet on page 7 should help. Then subtract allowable deductions. These deductions may include, but aren't limited to:

- Estate administration fees;
- Funeral expenses;
- Valid debts, such as your mortgage and unpaid property or income taxes;
- Transfers for public, charitable, and religious uses; and
- Bequests to your surviving spouse (see *Unlimited Marital Deduction*, discussed in the next section).

Next, add in the value of any taxable lifetime gifts you have made. Check this amount against our tax table to get an idea of the amount of tax your estate would owe if you were to die in 2016.

Exemption. The tax table takes into account the current \$5,450,000 exemption (technically, "applicable exclusion amount"). This is the amount that can pass free of estate and gift tax because of a unified tax credit allowed to each individual.

Highest Tax Rate. The highest gift- and estate-tax rate is 40%.

Exemption Portability

The personal representative of a deceased spouse's estate can elect to transfer any unused estate-tax exemption to the surviving spouse. The surviving spouse generally can use the transferred amount in addition to his or

POTENTIAL ESTATE TAX*	
Taxable Estate	Tax (Top rate = 40%)
\$5,450,000	-0-
\$5,500,000	\$20,000
\$6,000,000	\$220,000
\$6,500,000	\$420,000
\$7,000,000	\$620,000
\$7,500,000	\$820,000
\$8,000,000	\$1,020,000
\$8,500,000	\$1,220,000
\$9,000,000	\$1,420,000
\$9,500,000	\$1,620,000
\$10,000,000	\$1,820,000
\$10,500,000	\$2,020,000
\$11,000,000	\$2,220,000
\$11,500,000	\$2,420,000

An additional tax — the generation-skipping transfer tax (discussed on page 8) — may apply if your gifts and bequests to beneficiaries more than one generation younger than you exceed the estate-tax exemption amount — \$5,450,000 in 2016.

* This table reflects an estate-tax exemption of \$5,450,000, available in 2016. The state death-tax deduction is not taken into account.

her own exemption to protect future lifetime and death-time transfers from gift and estate taxes. This “portability” provision simplifies estate-tax planning for married couples.

The Unlimited Marital Deduction

The estate-tax marital deduction generally allows you to give your spouse an unlimited amount of assets free

of both estate and gift taxes. The assets may pass either outright or in trust. So, if you leave your entire estate to your surviving spouse, no estate tax will be due on your estate.

While the idea of passing all your assets to your surviving spouse tax free may sound attractive, this planning approach isn’t always the best strategy. You may have

What Is Your Estate Worth?

\$200,000? \$500,000? \$1 million? \$5 million? More? Most people underestimate the value of their estates. Completing the following worksheet can help you estimate the value of your gross estate. *(Note that other items also may be included.)*

ASSETS	Market Value
Certificates of Deposit, Money Market Accounts, and Other Cash	\$ _____
Stocks, Bonds, and Mutual Funds	_____
Mortgages and Other Debts Owed to You	_____
Other Investments	_____
Employer-sponsored Retirement Plan Benefits	_____
Individual Retirement Accounts	_____
Personal Residence	_____
Vacation Home/Time Share	_____
Other Real Estate	_____
Business or Partnership Interests	_____
Life Insurance Proceeds	_____
Automobiles and Recreational Vehicles	_____
Jewelry	_____
Collectibles	_____
Other (furniture, personal belongings, etc.)	_____
TOTAL GROSS ESTATE	\$ _____

Are you surprised at the result? If you’re married, you may be in for an even greater surprise. Consider what your estate will be worth if your spouse dies first and all of his or her assets are added to yours.

other estate planning objectives that can be better accomplished with other strategies.

If you're a resident of a community property state and you have only community property, the marital deduction generally isn't needed unless your assets are more than double the estate-tax exemption. Assuming you've made no taxable gifts, your credit will eliminate all estate taxes on your estate — *regardless of who inherits your assets*.

The Generation-skipping Transfer Tax

Another tax that could be a concern for individuals with larger estates is the generation-skipping transfer (GST) tax. This tax could come into play if you want to leave your assets in a way that will benefit your grandchildren or other persons more than a generation younger than you. The purpose of the GST tax is to prevent families from sidestepping a generation's worth of estate taxes by transferring assets to grandchildren, rather than to children.

The GST-tax rate is equal to the highest federal estate-tax rate (40%). GST tax must be paid *in addition to* estate and gift taxes. A cumulative GST-tax exemption of \$5,450,000 (in 2016; to be adjusted for inflation in future years) gives you leeway to transfer up to that

amount to your grandchildren or others free of the GST tax. If you and your spouse agree to split gifts, together you can give your grandchildren up to \$10,900,000 without incurring the GST tax.

Capital Gains Tax

Capital gains taxes are more a financial planning consideration than an estate planning one. But it's good to be aware of how they might affect property you transfer as part of your estate plan.

You pay capital gains tax on gains realized when you sell property that has increased in value. Your gain (or loss) for capital gains tax purposes is usually determined by using your "basis" in the property. Basis generally refers to the amount you paid to acquire the property, plus or minus various adjustments that may be required after acquisition (for items such as depreciation, reinvested dividends, and the cost of capital improvements). Your gain is the value of the property in excess of your basis.

When you give someone appreciated assets during your lifetime, your basis on the gift date is carried over and becomes the recipient's basis. If the recipient later sells the gift assets, he or she is liable for capital gains tax on the assets' appreciation both *before* and *after* you made the gift.

Inherited property is treated differently. It generally receives a "step-up" in basis to its fair market value at the time of the owner's death. So, if you leave property to your son and he later sells it, he'll be responsible for capital gains tax only on the appreciation generated *after* your death.



Planning Strategies

Now that you have a basic understanding of estate planning preliminaries and the estate tax, let's look at some ways you can plan for your assets to pass to the people you want in the manner you want.

The Versatility of Trusts

Trusts have long been used to minimize taxes. But most trust strategies do more than save taxes — they also ensure that estate assets will be managed carefully for the beneficiaries' financial security. And family issues may make trusts the most beneficial way to transfer an estate. Trusts are very flexible planning tools that can be used to accomplish a range of estate planning goals.

QTIP Trusts

With a QTIP trust, you can give your surviving spouse a life income *and* choose who will receive the property in

the trust after your spouse's death — your children or grandchildren, for instance. Your personal representative can elect to claim the marital deduction for the trust property.

QTIP trust assets will be included in your spouse's estate, and if your spouse's estate is significant, it may have to pay estate tax on the assets. But the assets themselves must be distributed as you have directed in your QTIP trust agreement. Thus, you retain ultimate control over who receives them.

Credit Shelter or Bypass Trusts

Traditionally, credit shelter or bypass trusts have been used to help both spouses take advantage of their estate-tax exemptions to maximize the assets passing to children or other heirs free of federal estate tax. However, the current exemption amount and the portability provision that lets a couple use both spouses' exemptions may make this strategy seem outdated. And for many couple's federal estate-tax planning, it may be. But

A PLANNING TOOL FOR TODAY

Today's "blended" families can cause additional estate planning concerns. Consider David and Anna, for instance. He has four children from a former marriage. While David wants Anna to be financially secure if he dies first, he also wants his children to eventually receive what he feels is their fair share of his estate. A good strategy for David may be to create a Qualified Terminable Interest Property (QTIP) trust in his Will. With a QTIP trust, he can give Anna a life income and ensure his children will receive the property in the trust at Anna's death. His estate can claim the marital deduction for the trust property if his executor so elects.



the strategy could still have a place in state estate-tax planning, particularly for residents of states that have lower exemptions than the federal exclusion amount and no exemption portability.

Here's how a credit shelter trust works. You create the trust under your Will to pay your surviving spouse a lifetime income and then benefit your children or other named beneficiaries after your death. At your death, your estate-tax exemption will be applied against the property transferred to the credit shelter trust. Generally, if the value of the property is less than or equal to your exemption amount, no estate tax will be due. And at your spouse's death, the trust property won't be included in his or her estate, so it will pass estate-tax free to your children or other beneficiaries. Your spouse's

exemption is then available to pass on other assets estate-tax free.

Credit shelter trusts offer other advantages, as well. For example, the trust can keep any appreciation in the trust assets that occurs during the period between a couple's deaths from being taxed in the second estate — a concern couples with significant estates may have. And, on the nontax side, a credit shelter trust can provide creditor protection for the trust assets.

Life Insurance

Life insurance plays a part in most estate plans. Make sure you have sufficient coverage on your life for family members to maintain their current lifestyle after you're gone. For larger estates that may be subject to tax even when family trusts are used, life insurance can provide the funds needed to pay estate taxes without liquidating estate assets.



BENEFITS OF GIVING APPRECIATING ASSETS

For individuals with large estates, making gifts of appreciating assets in which you have a high basis can be an advantageous planning move. Instead of giving their two children cash, Sam and Gabriella give each of them mutual fund shares worth \$14,000 every year for five years — total gifts valued at \$140,000. Let's say the shares double in value in the years before Sam and Gabriella die. By making the gifts, they avoid both gift and estate taxes on \$280,000 (the original share value plus appreciation). Assuming a federal estate-tax rate of 40%, the gifts would save Sam and Gabriella's estates up to \$112,000 ($40\% \times \$280,000$) in estate taxes.



Even if estate taxes aren't a concern, if you have a substantial amount of life insurance, you may want to create an irrevocable life insurance trust to help beneficiaries manage the proceeds.

Lifetime Gifts to Family and Friends

You don't have to wait until your death to make tax-saving transfers. In fact, a well-planned program of lifetime gifts to family, friends, and charity can save estate and gift taxes, preserve more of your assets for your family and other heirs, and ensure your property goes to the people you want to have it.

The Gift-tax Annual Exclusion. Each year, you can give any number of people up to \$14,000 each in assets (\$28,000 if your spouse joins in the gift) without triggering any federal transfer tax — gift, estate, or generation-skipping. This annual tax exclusion is available in addition to your gift-tax credit exclusion amount and is adjusted for inflation.

Suppose you make annual gifts of \$14,000 to each of your three children and seven grandchildren. Over a five-year period, you can give them \$700,000 tax free.

Having your spouse join in your gifts will raise your tax-free gift total over five years to \$1.4 million and reduce the assets includable in your estate for estate-tax purposes by \$1.4 million — or more if the assets appreciate between the time you make the gifts and your death.

Exclusion for Medical and Tuition Payments.

The tax law also allows you an unlimited exclusion for certain tuition and medical payments made on behalf of others. To qualify for this exclusion, you must make the tuition or medical payments directly to the educational institution or medical facility. Payments for medical insurance qualify for the exclusion. Payments for dormitory fees, books, supplies, and similar school expenses do not qualify for the exclusion.

Charitable Gifts

Making charitable gifts during your lifetime or at your death can help reduce estate taxes. You can make these gifts either outright or in a charitable trust. If you make a charitable gift in your Will, your estate can claim an estate-tax deduction for the value of that gift.

But, rather than waiting until your death, you may want to consider making your charitable gifts now. Lifetime gifts to qualified charities can provide income-, gift-, and estate-tax savings, as well as help to further the work of organizations you believe in. Using a charitable trust to make lifetime gifts can give you a current income-tax deduction in addition to removing assets from your taxable estate.

Charitable Remainder Trusts. With a charitable remainder trust, you transfer property to a trust set up for the charity of your choice. The trust pays you, you and your spouse, or someone else you've chosen an income for life or a period of years. The trust ends at the death of the last income beneficiary (or earlier if that's what the trust specified), and the charity receives the property.

A charitable remainder trust funded with appreciated low-basis property allows the trust beneficiary to benefit from the trust's sale of the property without paying capital gains tax. Replacing the value of the property given to charity with insurance payable to a family member or other loved one would allow you to make a tax-advantaged gift to charity without "shortchanging" your family or passing along a high capital gains tax liability.

Charitable Lead Trusts. If you are currently making regular gifts to a favorite charity — or would like to make regular gifts to a charity — you may find it to your advantage to use a charitable lead trust for those gifts. A charitable lead trust pays income to the charity of your choice for a set period. At the end of that period, the trust assets pass to the person you've named as the trust's remainder beneficiary — your child or grandchild, for instance. Again, both the charity and your heirs benefit.





Disability Planning

Who will manage your assets and make health care decisions for you if you become incapacitated and can no longer handle these responsibilities yourself? Unless you plan ahead, the answer is a guardian or conservator appointed by a state court.

Living Trusts

A living trust avoids this situation. Your trustee simply continues managing your assets as your trust agreement directs. But not everyone is ready to delegate asset management responsibilities while they are still healthy.

Standby Trusts. If you prefer to manage your assets yourself, a standby living trust may be the strategy for you. With a standby trust, your trustee takes over management of your assets only if a predetermined event, such as your incapacity, occurs. You may reassume management of your assets if and when you recover from your incapacity.

Self-trusteed Trusts. An alternative might be to serve as trustee of your living trust, making sure you've named a successor trustee to take over management of your assets while you're incapacitated. That way, your assets will continue to be managed as you want with no interruption.

Health Care Provisions

In addition, you may want to include disability and long-term-care insurance in your estate plan to help preserve assets for your family and other heirs in the event you become incapacitated. A living will or durable power of attorney for health care helps ensure your wishes are carried out if you are unable to make health care decisions yourself.

Living Wills. Basically, a living will speaks for you when you are unable to do so. Usually, the purpose of a living will is to express your desire not to receive extraordinary medical treatment. You determine the kind of medical care you want under the circumstances you describe. You should express your wishes in as much detail as possible so that medical care providers will be able to understand your intent clearly.

For instance, you might specify that you would not want "artificial feeding" and you should explain what you mean by "terminal." In some states, a living will is effective only if you've been diagnosed with a terminal illness. Your living will may not be effective if you suffer a stroke or are in a coma and your condition isn't considered terminal.

Durable Powers of Attorney for Health Care.

A durable power of attorney for health care — sometimes called a health care proxy — designates someone else to make decisions for you if you are unable to make those decisions yourself. The scope of a durable power of attorney generally goes beyond that of a living will. While a living will usually is concerned with the withdrawal or withholding of life-support treatment in the event you become terminally ill, a durable power of attorney for health care can address nearly any health decision.

Planning Strategies for Business Owners

If you are a business owner, you need to arrange in advance for the transfer of your business or partnership interest at your retirement, incapacity, or death. If family members will continue the business after your death, make sure enough cash will be available to cover estate tax (if applicable) and expenses. Otherwise, they may have to sell part or all of the business. Will your partners or fellow shareholders buy your interest? A buy-sell agreement can help avoid unexpected surprises and make the transaction smoother.

Valuing Your Business

Your business may be the most valuable asset in your estate. Without proper planning, estate taxes may take a heavy toll at your death. Because of the lack of an open market, arriving at an appropriate value for stock in a closely held business can be a complex undertaking. Usually, the opinion of one or more independent appraisers is necessary.

The following are among the factors that business appraisers consider when valuing closely held businesses:

- The nature of the business and its history,
- The financial condition of the company,
- The economic outlook of the industry in general,
- The book value of company stock,
- The company's earnings capacity,
- The dividend-paying capacity, and
- Stock prices of similar companies that are publicly held.



Buy-sell Agreements

If you plan to sell your business to a family member, partner, employee, or an outside party, give serious consideration to using a buy-sell agreement. A buy-sell agreement:

- Provides for an orderly transfer of the business,
- Permits present co-owners and family members to continue in their business roles,
- Allows a fair market price for the business (or a formula for determining it) to be agreed upon today,
- Provides funds for the purchase, and
- Lets you plan your estate and taxes ahead of time.

Life insurance is a popular way to provide the cash needed to complete the buyout. You also can use life insurance to provide your family with the funds needed to pay taxes.

Minority Discounts

Consider transferring stock in your closely held business to family members in small, non-controlling blocks. For gift- and estate-tax purposes, the value of minority interests may be discounted. The reason? Shares representing a controlling interest in a company are typically more valuable than minority interests. Individual minority shareholders generally can't influence the company's management.

Minority discounts can be an effective way to transfer business interests at a lower tax cost. However, before attempting to use the strategy for your business interests, we strongly recommend you contact us for professional advice.

When To Review Your Estate Plan

Everyday personal and family changes can make yesterday's well-devised estate plan wholly inadequate today. Consequently, you should be aware of events that may signal the need for an estate plan review and possible revision.

Here are some to look out for:

- **Births.** You probably will want to consider the needs of a new child or grandchild in planning your estate.
- **Deaths.** The death of your spouse or another beneficiary can greatly affect your plan. So, too, can the death of your executor, your children's guardian, or your trustee.
- **Marriages.** If you marry, you most certainly will want to review your estate plan. When your children marry, you may want to revise your plan.
- **Divorces.** Most people review their estate plans if they divorce. But many fail to consider the effects of a beneficiary's divorce on that beneficiary's inheritance. For example, if your Will gives your son and his wife joint ownership in your home, think of the problems that could arise if they divorce and you don't revise your Will.
- **Moves Out of State.** If you move to a new state, your estate will be settled according to the laws of that state. Certain provisions of your estate plan that are valid in your current state of residence could be invalid under the laws of the new state. Also, having your executor and witnesses to your Will residing in a state hundreds or even thousands of miles away could hamper the administration and settlement of your estate.
- **Changes in Estate Composition.** A substantial increase or decrease in the value of your estate since you designed your estate plan may throw your plan off kilter and make a review or revision necessary.
- **Business Changes.** Certain business changes signal the need for an estate plan review. These changes include starting, buying, or selling a business; entering into a buy-sell agreement that provides for the sale of your business interest when you die; changing your business' legal form; and the death of a business partner or another important member of your firm.
- **Tax Law Changes.** On average, the tax law changes every couple of years. Any changes in the law may make your estate plan outdated.



Planning Checklist

Are you on track with your estate planning? Use the following ten-point checklist to find out. Just answer each question “Yes” or “No.”

DOES YOUR ESTATE PLAN:	Yes	No
Include an up-to-date Will?	<input type="checkbox"/>	<input type="checkbox"/>
Name a guardian for your minor children?	<input type="checkbox"/>	<input type="checkbox"/>
Name an executor (or personal representative) and trustee you are confident will carry out your wishes?	<input type="checkbox"/>	<input type="checkbox"/>
Take into consideration any special medical or educational needs certain family members may have?	<input type="checkbox"/>	<input type="checkbox"/>
Include provisions for long-term health care for you and your spouse and/or other dependents should the need arise?	<input type="checkbox"/>	<input type="checkbox"/>
Take advantage of the benefits of lifetime gifts?	<input type="checkbox"/>	<input type="checkbox"/>
Include charitable gifts?	<input type="checkbox"/>	<input type="checkbox"/>
Provide investment assistance for family members who may need help managing their inheritances?	<input type="checkbox"/>	<input type="checkbox"/>
Minimize taxes?	<input type="checkbox"/>	<input type="checkbox"/>
Provide for a smooth and tax-advantaged transfer of your business interests at your retirement or death or if you become disabled?	<input type="checkbox"/>	<input type="checkbox"/>

Every “No” answer may indicate a gap in your estate planning.

We Can Help

The best way to keep your estate plan up to date is to review it on a regular basis. We would be happy to help. We can review your plan with you and your other professional advisors to determine whether changes are needed. We also can tell you more about the estate planning strategies we’ve discussed here and how you can use them to help ensure your loved ones’ future financial security.

79 Main Street
P.O. Box 2020
Cadiz, KY 42211
270-522-6066

106 Lakota Dr.
Cadiz, KY 42211
270-522-0450

2808 Ft. Campbell Blvd.
Hopkinsville, KY 42240
270-885-3211

307 North 12th Street
Murray, KY 42071
270-759-4852