

The Most Common Mistakes People Make in Estate Planning

How well versed are you in your estate planning options? Even more importantly, can you be assured that your family will be taken care of when you are no longer able to do so?

A qualified estate planning attorney can be an invaluable asset to you and your family, whether your personal wealth is small or extensive. In truth, any amount of personal wealth is at risk if you do not have an estate plan.

In most cases, if you pass away without the protection of an estate plan, will, or trust, the state will decide how to allocate and distribute your assets.

This decision might not always be in the best interest of your loved ones - the ones for whom you worked so hard to provide a solid and secure financial future in the face of much economic uncertainty.

The complicated tangle of estate planning and tax laws, combined with the ever-changing nature of these laws, create a lot of room for error for the average person hoping to secure the assets of his or her estate in the event of death.

Some common mistakes that people often make in doing their own estate planning are:

- Not having an estate plan formally crafted. An estate plan will clearly dictate how your assets are to be divided, and to whom.

This can be in the form of a will, granted power of attorney, letters of guardianship, or a trust.

- Not thinking of the consequences for your family if you pass away. In addition to the emotional loss your family will suffer in the event of your death, have you considered how they will pay the mortgage, go to college, or be provided with life's basic necessities.

An estate plan in the form of a will or living trust could give both you and your family the added peace of mind in knowing that their futures could be more secure, regardless of what tomorrow might hold.

- Not understanding estate taxes. Depending upon your net worth and where you are located, estate taxes can reduce your assets by as much as 70%.

There are also additional taxes, such as the generation-skipping transfer tax, in which you are taxed for

leaving your estate to your grandchildren.

A highly qualified estate planning attorney would be able to offer guidance concerning the estate taxes you should expect, as well as possible ways to avoid them in the first place.

If you would like more information concerning your estate planning options, check out the comprehensive online resources for personal wealth management solutions through wills and revocable trusts.

Whether your estate planning goals are immediate or long-term, a qualified California estate planning attorney will be able to counsel you on the best options available to you to meet your individual needs.