

Steps to get your Financial House in Order

By: Gary Love, CFP® and Scott Johnson, CFP®

From time to time, many of us find that it is good to take stock of where we are and what we would like to accomplish in the coming months. These regular mile markers become very important as we track our path towards what is truly important to us in life.

The first idea we recommend that you implement is to write out your own personal definition of true wealth. For instance, is money a means or an end to you personally? Do you consider people or things to be more important and worthy of your time? What gives you true satisfaction and contentment?

This exercise will allow you to place all of your other financial decisions in context with what is truly important for you to accomplish with your wealth. It will also act as a guide to your own financial plan.

Wills and Trusts

If it has been a while since you have taken a look at your legal documents, you should blow the dust off each of them to make sure they still say what you want them to say.

Maybe you do not have anything to dust off; some statistics indicate that 66% of people do not have a last will and testament in place. If you fall into this category, your state of residence has intestate laws that will apply to your estate upon your death. This means that a judge may determine the guardianship of minor children and the distribution of your assets based upon state statute, not upon your wishes.

If you do have a will in place, it is important to make sure it reflects any life changes you may have experienced since it was drafted. These can include, among others, the birth of children or grandchildren, health changes, divorce within the family, or the death of family members.

Although we believe that not everyone needs to have trust documents in place, they can be very useful tools in the right situation. Trust documents have the benefit of being private documents and can usually avoid the probate process. They should be reviewed periodically to keep them updated with your wishes and tax law changes. You will want to make special note that any new purchases of property or investments have been properly titled within the appropriate trust, based upon your overall estate plan. If you have Irrevocable Life Insurance Trusts, Charitable Remainder Unit (or Lead) Trusts, Qualified Personal Residence Trusts, or other trusts in place it is good to review them as well. Some of these trusts have special rules that must be followed to maintain their effectiveness.

Other Legal Documents

Another legal document to review is your Power of Attorney document, which is very important in the event that you become unable to handle your financial affairs. You should advise the agent you name within your document where they can find pertinent financial information and how to get in touch with your financial advisor should the need arise. It is also wise to keep an updated master list of your accounts and contacts in a safe place.



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Health Care Power of Attorney documents allow you to communicate with your family what your wishes are regarding life sustaining treatments. It is also important to have a conversation about these choices to communicate your desires to your agent and family members now, while you are still able.

Proper estate planning encompasses all of your legal documents and endeavors to coordinate them to work together for your benefit. With recent tax law changes, you should contact your financial advisor and attorney to make sure your specific plan will still accomplish your objectives.

As a side note, don't forget to inquire with your parents and/or children to help them determine that their situation is secure.

Beneficiary Designations

Last, but not least, you should review your beneficiary designations. This is a simple procedure, but it can have a significant impact on your financial plan. It is important to note that beneficiary designations are generally considered contract provisions and as such usually trump your will or trust documents. You should make sure your beneficiaries are correct on life insurance contracts, both personal policies and those you have through work. Also, don't forget to check your IRA and Roth IRA accounts, annuity contracts, retirement plans, and pension plans as well.

Benefits

Reviewing your documents to ensure that they are in order and will accomplish your wishes in the future adds to the confidence and peace of mind you can enjoy now. Knowing that you have prepared for the future and have provided for the people and organizations that are important to you can allow you to smile at the future with peace of mind.

Solution

The key then lies in developing your own financial and estate plan. Your plan must be designed with a thorough examination of who you are and what is truly important to you. Establishing, implementing, and reviewing your plan can help eliminate unwanted or unfortunate outcomes for those for whom you care the most.

If you have questions or have not developed your own specific plan to address how these documents can help you accomplish your priorities now and in the future, we would be happy to help you take the next steps. Please call or e-mail us directly.

If you have questions or need more information, please contact:

Gary Love, CFP® and Scott Johnson, CFP®
The Love Johnson Group
Private Wealth Management
815-636-5225 • thelovejohnsongroup.com