

TOP 10

estate planning mistakes



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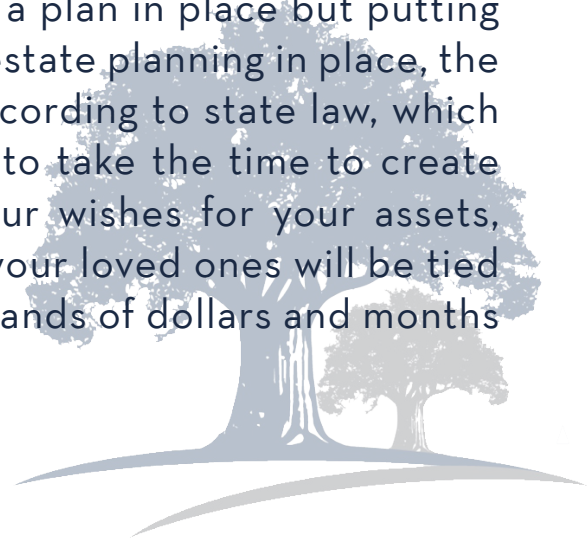
ASSET PROTECTION & ESTATE PLANNING

ESTATE PLANNING

is an essential process that will protect your assets and ensure you're your estate is distributed according to your wishes after your death. Many people make mistakes when creating their estate plan, which can lead to unnecessary stress, confusion, and costly legal battles for their loved ones. **Below, our estate planning team put together the top 10 and most common mistakes we see in estate planning.**

NO. 1 FAILING TO CREATE AN ESTATE PLAN (PROCRASTINATING)

A significant mistake that many people make is failing to create an estate plan at all, or worse, knowing they need to put a plan in place but putting it off until it's too late. Without putting proper estate planning in place, the state of Michigan will distribute your assets according to state law, which may not align with your wishes. It is essential to take the time to create a comprehensive estate plan that outlines your wishes for your assets, healthcare decisions, and more. If you do not, your loved ones will be tied up in the probate court system, spending thousands of dollars and months of their time to resolve your estate.





NO. 2

NOT UPDATING YOUR ESTATE PLANNING DOCUMENTS

Creating an estate plan is not a once-and-done type deal. Your life circumstances and financial situations will change over time, and your estate plan should reflect and protect those changes. Failing to update your estate plan can lead to outdated or incorrect information, which can cause confusion and legal issues. Make sure you are working with an estate planning firm that makes it a practice to check in with their clients to provide support throughout the years.

NO. 3

NOT CONSIDERING TAX IMPLICATIONS

When creating an estate plan, it is crucial to consider the tax implications of the decisions you make in your planning documents. Michigan has an estate tax, which means that your estate may be subject to taxation after your death. By considering tax implications in your estate plan and working with an attorney who understands what impacts they could have on your assets, you can help reduce the tax burden on your loved ones after your passing.

NO. 4

NOT CHOOSING THE RIGHT EXECUTOR

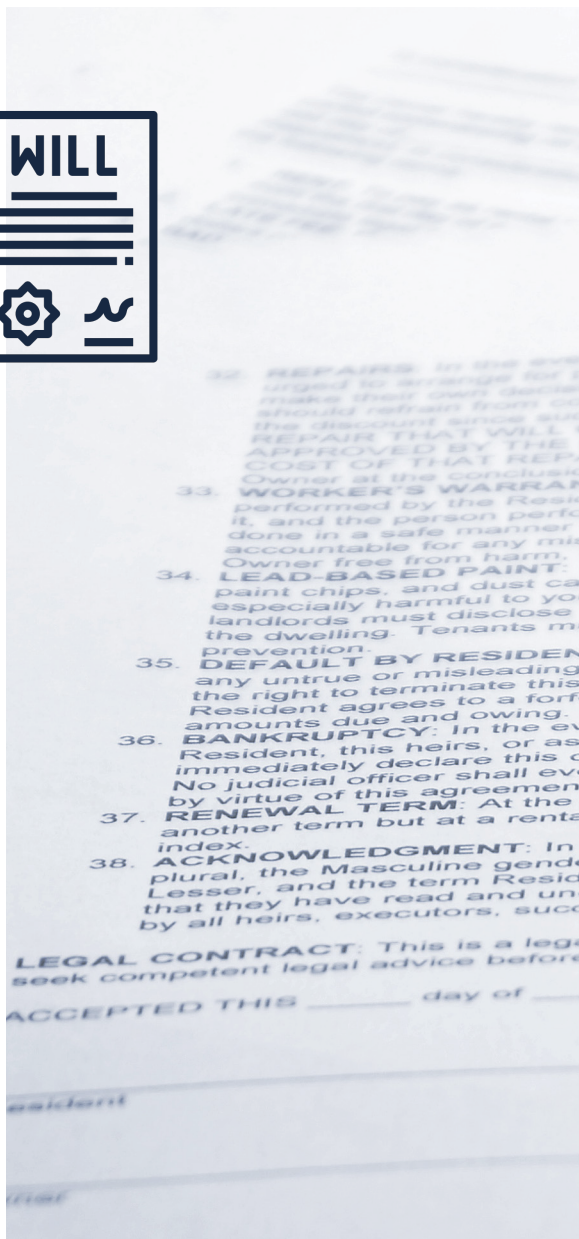
The Executor of your estate is responsible for managing and distributing your assets after you pass away. Choosing the wrong person to serve as Executor can lead to legal battles and conflicts among your loved ones. It is essential to choose an Executor who is trustworthy, responsible, and capable of carrying out your wishes.



NO. 5

NOT CREATING A TRUST, OR RELYING SOLELY ON A WILL

A trust is a legal document that can help protect your assets and ensure that they are distributed according to your wishes. Failing to create a trust can leave your assets vulnerable to legal challenges and other issues. A common misconception in estate planning is that a Will protects assets from any potential issues after your death, and that it will ensure your estate is distributed according to your wishes. A Will goes first through the probate court where a judge may determine there are other individuals entitled to your assets including other family members and creditors. Putting a trust in place will avoid probate court and protect your wishes.



A caregiver in blue scrubs is assisting an elderly woman with a walker in a hospital hallway. The caregiver has her arm around the woman's shoulder. The hallway has a wooden handrail and a tiled floor.

NO. 6

NOT CONSIDERING THE HIGH COST OF LONG-TERM CARE

As you age, you may require long-term care, which can be very expensive. Failing to consider long-term care costs in your estate plan can lead to a major financial burden on your loved ones. Average long-term care costs can be more than ten thousand dollars per month. Working with an estate planner who understands how to protect against these costs will make sure your estate will still be passed to your family and will not be consumed entirely by paying for long-term care services.

NO. 7

NOT PLANNING FOR INCAPACITY

Incapacity planning is an essential aspect of estate planning. It involves naming a trusted person to make healthcare and financial decisions on your behalf if you become unable to do so, these are known as your Healthcare Power of Attorney and Financial Power of Attorney documents. Failing to plan for incapacity can lead to legal battles and confusion among your loved ones. Under certain circumstances, loved ones may not be permitted into your room or into the decision-making process at a hospital as they have not been named by you to have that authority. If you are deemed incapacitated, you are unable to grant this authority to your family. Having an updated Healthcare POA and Financial POA will ensure your family has access to you and can follow your wishes even when you are not able to make decisions for yourself.

NO. 8

NOT CONSIDERING DIGITAL ASSETS



Many people now have digital assets. These can include social media accounts, online banking, email accounts or cryptocurrency. Failing to include digital assets in your estate plan can leave them vulnerable to hacking, probate court or a variety of other issues. It is crucial to consider and include digital assets in your estate plan so that they are protected and distributed according to your wishes.

NO. 9

NOT COMMUNICATING YOUR WISHES

Another common mistake we unfortunately see too often has to do with communication. Talking about finances and death can be a touchy and uncomfortable conversation. However, without clear communication surrounding your wishes, your loved ones could end up in probate court and experiencing high costs and lengthy delays. Make sure that you are communicating, at the very least, the location of your estate planning documents to your family so they can access it easily if they need it. A better scenario would be including them in the conversations and meetings during your estate planning process so that they have an in-depth understanding of how your documents work. In our experience, including family members who are important parts of our client's lives has been incredibly helpful when trying to craft an estate plan that will meet their needs.



NO. 10

NOT SEEKING PROFESSIONAL ADVICE

Estate planning can be a complex process, and it will be helpful to seek professional advice when creating your estate plan. An experienced estate planning firm can help you navigate the legal and financial aspects of estate planning & asset protection while ensuring that your plan reflects your wishes.

Putting an effective and comprehensive estate plan in place is critical to protect your family and your assets from many of the issues listed above. By avoiding some or all of these mistakes, you can make sure the process goes smoothly for your loved ones after your passing.

**SCHEDULE YOUR CONSULT NOW TO GET
STARTED TODAY!**



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