

TRUSTS & ESTATES

"I'm Not a Billionaire"—and Other Misconceptions About Estate Planning

Most of us would rather postpone thinking about estate planning. But putting it off—or avoiding it altogether—can be a huge mistake. It's also fraught with misconceptions and myths. Here are five to consider:

Number One: I'm not super-rich, so I don't need to think about estate planning.

True, only a tiny sliver of heirs will face estate taxes this year: The federal estate-tax exemption is a cool \$11.58 million per person, or \$23.16 million for a married couple. But the tax laws can change on a dime, and in fact, the exemption is scheduled to revert to \$5 million per person in 2026. Many states levy estate tax too, some with exemption ceilings well below the federal level.

As important, estate planning is also about helping assure financial security and peace of mind for those who depend on you while you're very much alive.

Number Two: I'm too young to worry about estate planning.

Wrong; life is notoriously unpredictable. Plus, some estate-planning vehicles may best be set up early, like trusts to ensure funding for a minor or special-needs child (the latter while still protecting his or her government benefits). Lifetime gifting can be part of an estate plan, too: up to \$15,000 per year in 2020 without incurring gift tax—\$30,000 for married couples—to each of an unlimited number of beneficiaries. You can also use part or all of your \$11.58 million estate-tax exemption for additional gifting instead.

Number Three: I already have a will.

Great, but that's not enough. We urge you to also draft at least a living will, which will specify your wishes about end-of-life health care, and a durable medical power of attorney, which names a proxy who will make health-care decisions for you if you become unable to do so.

Further, most wills need to go through probate—a public procedure that can take months. A living, revocable trust, which you can undo at any time, avoids probate, remains confidential,

and may allow for a more-precise distribution of your assets. An irrevocable trust shields assets from estate taxation and is available in specialized variants to benefit spouses (first or subsequent), children, grandchildren, charity, and even profligate beneficiaries. With an irrevocable trust, you'll typically cede control to a trustee, but you'll have versed him or her in your wishes. And trusts are only one in an array of estate-planning tools.

Number Four: My family will honor my wishes without all these documents.

Maybe so—but the more your requests are spelled out, the better chance they'll be honored, and with family harmony preserved. Similarly, make sure that your beneficiaries have the information they need to carry on necessary business in your absence (including the access codes to your on-line sites).



Estate planning is also about helping assure financial security for loved ones while you're very much alive.

Number Five: I can do this on my own.

Not likely; the planning instruments are famously complicated, and so are the tax laws that govern them. And since some estate-planning decisions are difficult, if not impossible, to reverse, making a mistake can lock in consequences that are at odds with your wishes. Don't forgo the advice of professional financial, legal, and trust & estate experts.

In short, estate planning is as much about your life as your death: the life you're living now and the legacy that lives after you. We can help; give us a call.

Working with People's United Advisors, Inc.

INVESTMENT MANAGEMENT

TRUSTS, ESTATES & CHARITABLE PLANNING*

BUSINESS, NOT-FOR-PROFIT AND MUNICIPAL SERVICES

PRIVATE BANKING*

INSURANCE, SECURITIES & ANNUITIES**

MULTI-GENERATIONAL PLANNING

RETIREMENT PLAN SOLUTIONS

*Services provided by People's United Bank, N.A.

**Services provided by People's Securities, Inc.

People's Securities, Inc. is a Broker/ Dealer, member of FINRA and SIPC, an insurance agency and a registered investment advisor. People's Securities, Inc. is a subsidiary of People's United Bank, N.A.

We are closely monitoring ongoing developments of the Coronavirus and we want you to know that our first concern is the safety and well-being of you and your family, and our colleagues and communities.

During this time of market uncertainty, taking a calm approach, and staying invested is often the most optimal strategy.

We are committed to keeping you safe and informed, continuing to exceed your expectations, and are prepared for any scenario that may arise related to the virus.

For more information on our investment offerings please contact us at:

wealthmanagement@peoples.com or (800) 772-8778

Follow our latest appearances in the news with relevant market updates and financial advice from our team of senior investment professionals and advisors at:

peoples.com/marketnews

For more information on how People's United is responding, and continuing to serve our clients, please visit our COVID-19 webpage at:

peoples.com/coronavirus

FOR ADDITIONAL INSIGHTS AND THOUGHT LEADERSHIP, PLEASE GO TO:

WWW.PEOPLES.COM/WEALTH

Investment Products & Services

- Not insured by FDIC or any Federal Government Agency
- May Lose Value
- Not a Deposit or Guaranteed by a Bank or any Bank Affiliate

Economic and market views and forecasts reflect People's United Advisors, Inc.'s (PUA's) judgment as of the date of this publication and are subject to change without notice. Views and forecasts are estimated based on assumptions, and may change materially as economic and market conditions change. PUA has no obligation to provide updates or changes to these views and forecasts. Certain information contained herein has been obtained from third parties. While such information is believed to be reliable for the purpose used herein, PUA assumes no responsibility for the accuracy, completeness, or fairness of such information.

Past performance is not an assurance of future returns.

PUA is not soliciting any action based on this material. It is for general informational purposes only. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual investors.

Investment products are offered through People's United Advisors, Inc., a registered investment advisor. People's United Advisors, Inc. is a wholly-owned subsidiary of People's United Bank, N.A.