



IT'S YOUR LIFE

Don't Get Tricked by These Common Estate Planning Mistakes

Trying to Take it With You

One way to ensure your assets go to the people you want is to make gifts during your lifetime. These gifts can be specific assets or interests in your business. In 2016, you can use the Annual Gift Tax Exclusion to make gifts of up to \$14,000 per person (\$28,000 per person for married couples) without incurring any gift or estate tax liability.

Understandably, it can be difficult to give up control of your possessions, especially when you don't know what the future holds or what your own needs might be during retirement. If you're not comfortable giving away belongings during your lifetime, at a minimum you should have a solid estate plan in place. Properly drafted wills, trusts, and buy-sell agreements can help provide for an orderly distribution of your resources and, in some cases, even lessen estate taxes and other costs.

Federated offers a professional, team approach to estate planning and business succession. You can't take it with you, but Federated provides access to a network of independent estate planning attorneys who can help make it easier for you to decide where it should go.

Forgetting to Review Your Beneficiaries

And speaking of deciding where your estate should go, have you taken time recently to review your beneficiary designations? The beneficiary(ies) you have named for your retirement plans, annuities, and life insurance policies will be the recipients of these funds should something happen to you. Are your beneficiary designations up-to-date and do they still reflect your wishes? Are they appropriate based on the person's age or competence? Changes in your financial or family situation can have unintended consequences for your heirs if these designations are not current. For example, an ex-spouse may still be entitled to your 401(k), or your life insurance death benefit may exclude children (or grandchildren) who were born after you filled out the form. But, why wait until New Year's? *Today* is perfect for making sure this important part of your overall estate plan is still in line with your intentions. Then, when 2017 rolls around, make a resolution to review your choices periodically.

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