



## **7. NOT HAVING YOUR DOCUMENTS REVIEWED AND UPDATED**

Once they have their estate planning and other documents created, many people simply file them away and never look at them again. Big mistake. An outdated plan can be as bad or even worse than having no plan at all. Your documents should be reviewed, at the very least, every two years. Why? In a word, change. Your needs and goals change; your financial situation changes; your children grow older and their needs change. The law itself is constantly changing. And even if you've specified a trustee or executor, the named person's ability to follow through on your wishes may change as well. Updating your plan allows you to take these changes into account and avoid unintended consequences.

## **8. NOT UPDATING DESIGNATIONS**

Not updating your beneficiary designations on life insurance, retirement accounts, bank accounts and other assets where you are able list who to transfer the property to on your death. Maybe the named beneficiary has passed away, is no longer the person you want to receive the

money, or you have drafted a Will or Trust and your accounts are not in harmony with your estate planning documents. Alternatively, your accounts can be in your trust (you don't need to name a beneficiary on a trust account/property) and any time you update your trust, the assets in the trust will be distributed in that fashion. Also, be sure to consult an attorney before naming your trust beneficiary of any IRA or any retirement accounts.

## **9. THINKING A LIVING TRUST ALONE IS ENOUGH**

The Living Trust is a powerful estate planning tool, but to truly ensure your wishes are carried out should you become incapacitated and incapable of making decisions for yourself, addendums can be extremely helpful. For example, an Advanced Healthcare Directive can dictate how you wish to be cared for and what steps you authorize medical personnel to take to prolong your life. A HIPAA Authorization can ensure your privacy while still making crucial medical information available to the people you want to have it. A Power of Attorney

for financial affairs determines in advance who will be able to make financial decisions for you. Other commonly used addendums include Pour-over Wills, Assignment of Personal Property, Community Property Agreements, Appointments of Guardianship or Conservatorship, to name a few.

## **10. NOT UNDERSTANDING THAT THE BIGGEST PROBLEM IS NOT THE IRS**

If the biggest threat to preserving your wealth is not the IRS, who or what is? Frankly, it is human nature. None of us wants to think about our own deaths or the possibility of becoming incapacitated. Consequently, we tend to put off taking the steps necessary to prepare for what the future may hold. We procrastinate. And our loved ones often suffer the painful financial consequences.

Perhaps Walt Kelly put it best: "We have met the enemy and he is us."