

Estate Planning Discussion Aid

Welcome to the Pegasus family! We look forward to working with you to achieve your estate planning goal of facilitating a discussion with your family.

Estate Planning Discussion Process

Our process is based on you; your goals help to facilitate the discussion with your family members by helping you organize your thoughts and to get prepared.

Define
Goals

Vision
Map

Assets &
Net Worth

Key Roles

Impact of
Taxes

Messaging
Strategy

Setting the
Stage

Step 1: Prioritize your goals for having the discussion

The first step is all about getting your thoughts and desires organized. During this step you are beginning to think about why the conversation is important and who should be part of the conversation.

- Who needs to be part of this discussion?
 - Spouse
 - Children
 - Parents
 - The executor/executrix to be named in the will
 - The trustee(s) to be named in the trust
 - Spouses of children
- Why is this conversation important?
 - Are you explaining your wishes to your kids?
 - How do you want your end of life care to be executed?
 - Are there restrictions on when and/or who can access assets?
 - Do you have kids from a previous relationship that you do not want to disinherit?
 - Do you have kids you have decided to disown?
 - Do any of the heirs have a substance abuse issue?
 - Do any of the heirs have a disability in which the inheritance could impact benefits they currently receive from the government?
 - Have your parents reached an age when their wellness or mental capacity have become a concern?

Step 2: Map out a vision and preferences for end-of-life care and how care will be managed

Next, consider the life supporting measures you would like taken to prolong your life. Determine and prioritize which measures you support and which measures you would not like to be subjected.

- How do you want your health managed?
 - Prolonged use of ventilator, heart/lung bypass, feeding tubes, or other forms of life support
 - What's the duration that preventive measures can be used?
 - If long term care services are needed then...
 - Will family provide the care?
 - Will nursing home care be required?
 - Around the clock
 - Assisted living
 - Residential community
 - In home care

Step 3: Identify all of your assets and liabilities

Gather together and review your assets and liabilities thinking about each one and how best to allocate or manage their distribution. Understanding how your net worth in life will impact your estate plan is as important as knowing who gets what assets.

- Do you have retirement accounts (i.e. employer plans, IRAs, or pensions)
 - Are your beneficiaries up to date?
 - Have distributions begun?
- Are there restrictions on how you want the assets distributed?
- Are any liabilities in joint name?
- How much is each liability?
- Are the liability forgivable at death?
- Estimate the amount of the estate reduced by outstanding liabilities

Step 4: Discuss guardianships, executorships, and trustee responsibilities

The care of children and the administration of wills or trusts huge responsibilities. Knowing who you trust to raise your kids and who you trust to administer your estate is only the first step in documenting these roles. The second and most important part of naming these roles is to discuss the roles and responsibilities with the person/people and make sure they accept the role.

- Are there minor children involved?
 - Who will be the guardian for the children?
 - Have you discussed the guardianship with the proposed guardian(s)
 - Is more than one guardian being named?
 - If yes... are they married and what is the plan in case of divorce?
 - If no... how are joint decisions to be made
 - Is life insurance in place to support the financial requirements to raise the child?

- Do any of the children have special needs?
- Are any dependents currently receiving government support?
 - Is a special needs trusts created or to be created?

Step 5: Plan for the impact of taxes

Often overlooked, but an important part of planning is how to manage and ideally minimize the impact of taxes on your estate.

- What is the cost basis of your taxable assets
- How are your assets titled
 - Joint Tenants with Rights of Survivorship
 - Joint Tenants in Common
 - Transfer on Death
 - Tenants by the Entirety
 - Community Property
 - Community Property with Rights of Survivorship
 - Trust FBO
- Plan for Income in Respect to Decedent (IRD)
- What is the wealth replacement plan for the taxes
- Are beneficiaries up-to-date on qualified accounts, life insurance policies, and annuity contracts?
- Does your state have an inheritance and/or an estate tax?

Step 6: Communicating your wishes to your family

Making sure your wishes are clear to your family may feel awkward or morbid, but done early and in the right way can really help dispel uncertainty on all sides, planning this conversation will make it more likely to be a positive discussion

- Are you comfortable leading this discussion on your own?
- Besides your children and/or parents have you had discussions with the guardian, trustee, or executor/executrix about their fiduciary responsibilities?

Step 7: Set the stage for the discussion

The final step is really about focusing on how to make the environment for the discussion the most comfortable for all parties.

- Will the conversation take place...
 - in your home?
 - during a family meal or gathering?
- Will you facilitate the conversation...
 - by yourself or with your significant other?
 - bring in someone to help moderate the discussion?

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