



Recent reports indicate that about 10,000 baby boomers turn 65 each day. Most are recently retired or anticipating retirement in the next few years. For most, their focus is on financial issues and questions that can be summed up in this question: Do I have enough income and savings for my desired lifestyle for the balance of my life and that of my spouse (if married)?

For many, that is a daunting question, more or less dependent on their financial circumstances. Other issues include activities, travel, healthcare, and family support, such as assisting with college education for grandchildren and healthcare expenses for children and grandchildren.

In support of those decisions, an estate planning tune-up can provide peace of mind and effective management of legal issues that may result from disability and other health-related issues. Changes to beneficiaries of the estate plan may also be in order. Below is a list of the typical documents and related concerns.

### **Will & Trust review**

- Depending on the size of your estate, your children may be mature enough to handle a moderate-sized inheritance; your current plan may continue benefits in trust that could be used more effectively if not in the trust.
- Continuation of the inheritance in trust for a longer period of time will make sense if:
  - the inheritance is large
  - one or more of your children may not be mature enough to handle an inheritance, may have a problem marriage, health issues, or problem children
- Your designation of a corporate fiduciary or other third party may not be necessary, especially if:
  - the inheritance is not sizable
  - one or more children are mature enough to act as fiduciary
  - the estate or trust will be distributed immediately at your death or at the death of the survivor of you and your spouseThat simple distribution plan may not require the services of a corporate/professional fiduciary
- Beneficiary designations on life insurance, annuities, deferred compensation, and retirement plan benefits should be confirmed as appropriate to and consistent with the overall estate plan in light of current circumstances.

The following documents provide solutions to the difficulties presented by potential disability. As you grow older, the likelihood of temporary and possibly permanent inability to manage your affairs increases.

### **Durable Powers of Attorney**

- The person or persons named may not be able to serve, so a clear listing of alternates is important; proximity of the agent can be helpful but is not essential in light of facsimile and email transmission of documents authorizing financial activities.
- One or more of your children may be better candidates than others as primary or alternate agents under the power of attorney.
- Will it make sense to continue to permit gifts to family members in light of your current/anticipated financial situation and the absence of a clear transfer tax benefit from making gifts to children, spouses and grandchildren?
- Are other changes to authorizations appropriate? Consider if you want to authorize your agent to modify your estate planning documents – a “double-edged” sword, but perhaps appropriate.

### **Healthcare Documents**

- As above, the person or persons named may not be able to serve, so a clear listing of alternates is important; again, proximity of the agent can be helpful but is not essential in light of facsimile and email transmission of documents authorizing financial activities.
- One or more of your children may be better candidates than others as primary or alternate agents under the power of attorney.
- Customization of the authority granted based on types of illnesses may be advisable in light of your current health circumstances.
- A HIPAA release may be covered under state law as to your agent under the Health Care Power of Attorney, but a separate document may be advisable.
- If you expect to spend substantial time in a state other than where you reside, healthcare documents specific to that state are advisable.

### **Continuing Utility of Life Insurance** – conversion/surrender/how much is needed?

- Your life insurance may have “outlived” its purpose. Depending on the type of insurance, premiums may be increasing and negatively impacting your cash flow.
- Cash value insurance may be convertible to an annuity that will enhance cash flow and defer reporting of taxable income.
- Most Cash Value insurance can be converted to reduced paid up coverage that will eliminate future premium payments.
- Converting employee group term insurance should be explored as a possible cost-effective means of continuing coverage.
- Donating a policy to a charity with you making a contribution to the charity each year to cover the premiums can be a low-cost way to accomplish your charitable objectives.

## estate planning tune up for retirement

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Many retirement issues present anxiety and uncertainty. An estate planning tune-up is typically not complex and can help reduce uncertainty in your life as a retiree.

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### ROGER SHUMAKER

With 40+ years of estate planning experience, I provide peace of mind by helping you design and implement an estate plan that will address your circumstances and objectives.

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