

# “WHAT DO I DO NOW?”

Take Steps to Establish Your Legacy

By: Eric C. Kordsmeier, CFP®, AEP® and Thomas B. Walsh, CFP®  
Frontier Investment Management Company



## Too many individuals and financial planners overlook the need to include an end-of-life strategy as a routine part of a comprehensive financial plan.

Transition planning covers a wide range of major events that, in effect, help carry an individual from one major, irreversible stage of life to another.

These events can involve many happy moments; such as marriage, the birth of a child, starting a new business or beginning a comfortable retirement.

Transitions, however, also inevitably involve end-of-life scenarios.

Such transitions can involve the emotional challenge of putting an estate plan in place, which would clearly spell out end-of-life preferences before time runs out.

## END-OF-LIFE PLANNING BEGINS NOW

Do not wait until you or your loved one is in the middle of a crisis before beginning the end-of-life planning process. You can always change or update documents after they are established. Not having the necessary documents in the first place, however, can add expense and delay to settling your estate.

### A WINNING END-OF-LIFE PLAN REQUIRES LEADERSHIP AND ACCESS TO PROFESSIONALS

- Accountant
- Attorney
- Trustee
- Financial Planner
- Private Banker
- Insurance Professional
- Investment Advisor

By using a values-based, goal-oriented planning process early on through the services of a CERTIFIED FINANCIAL PLANNER™, you may quickly find that you are offering greater relief to your loved ones.

### VERY FEW FAMILIES KNOW “WHAT TO DO NEXT”

While not a comprehensive list, the following is a timeline of important action items upon death:

1. Locate the will, birth certificate, marriage certificate, social security card and other relevant documents.
2. Note the location and value of real estate deeds, title to automobiles, jewelry and other personal assets. (You will often find many of these documents in the decedent’s safe deposit box or home safe.)
3. Inform Social Security Administration to stop payments to decedent; inquire about survivor’s benefits.
4. Verify any life insurance or annuity policies, pension or veteran benefits and submit claims.
5. Discuss probate steps with attorney; issue “Letters Testamentary” or Trustee Certification.
6. Request a step-up in cost basis for eligible taxable accounts (and possibly newly funded trusts).
7. Complete the final year income tax return for decedent (due the following April 15th) and federal estate tax return (if applicable), which is due nine months following date of death.

## WHILE OVERSEEING THIS PROCESS MAY BE YOUR RESPONSIBILITY, YOU DON’T HAVE TO UNDERTAKE IT ALONE

One of the missions of a CERTIFIED FINANCIAL PLANNER™ is to quarterback, or lead, the planning effort as part of a team of professionals that are committed to helping you more effectively plan ahead for an end-of-life scenario.

A financial planner can help keep an estate intact, while ensuring that the best interests of a family are well represented. This effort involves a detailed review and analysis of insurance coverage, investments and current estate plan; as well as the minimization or elimination of income and estate taxes, the maximization of cash flow – and much more.

A financial planner can help protect families against the emotional and financial disruptions caused by life-altering events.

## AN END-OF-LIFE PLAN IS IMPORTANT FOR YOU – AND THE ONES YOU LOVE

With the guidance of your financial planner, you can work through a wide variety of scenarios that surround the special requirements of you – or your loved one – leading up to and including death.

A successful end-of-life planning effort might also involve decisions about uncovered liabilities, tax basis planning, capital loss harvesting, debt pay-offs, social security payment strategies and maximizing pension income choices.

### END-OF-LIFE PLANS HAVE A MAJOR IMPACT ON KEY DECISIONS

- Wills
- Estate and income tax minimization
- Incapacity planning
- Long-term care
- Generational gifting – both annual exclusion and lump-sum gifts during lifetime
- Business succession planning
- Insurance
- Family Limited Partnerships (FLPs) and Limited Liability Corporations (LLCs)
- Revocable and irrevocable trusts
- Guardian provisions

## BEGIN WITH A FORMAL PLAN

Whether one is 40 or 100, the best way to ensure that an end-of-life plan is in place at any age is to make sure a proper estate plan has been developed. Everyone has a unique goal for their estate, from providing financial resources to their family to leaving a bequest to their community or religious institution. The plan should reflect an individual's specific wishes, while shielding the estate from unnecessary and unintended costs.

You or your loved one might also want to know more about charitable trusts, donor-advised funds or gift annuities to help reach clearly defined philanthropic goals.

There is no turning back from end-of-life planning.



ARE YOU  
LOOKING FAR  
ENOUGH  
AHEAD?

End-of-life strategies should be crafted well in advance of the major changes that one might confront.

## THE BENEFITS OF END-OF-LIFE PLANNING

If there is one rule of thumb to follow it is this: There is no such thing as preparing your end-of-life plan "too soon."

A few of the many benefits of a successful end-of-life plan are:

1. **Peace of mind** You can sleep better at night knowing that you have completed this all-important task.
2. **Full control** By putting affairs in order now, one retains control of the estate and relieves others of the burden of guessing their intentions when the beneficiaries may be least likely to know what they were.
3. **Establish your legacy** The head of the family can pass on their family values through a legacy letter or ethical will.

## TRANSITIONS AHEAD

Planning for end-of-life and other major transitions will make a huge difference in potential life scenario outcomes.

By understanding your unique situation and learning about what you value most, a financial planner can help you select the tools and strategies that will guide you through life's most trying – and exhilarating – moments.

### END-OF-LIFE PLANNING IS JUST ONE OF LIFE'S MAJOR TRANSITIONS

- Career change
- Marriage
- Addition of children, grandchildren, or great-grandchildren
- Family members with special needs
- Divorce
- Severe illness or accident
- Retirement
- Long-term care
- Moving/change of domicile

## End-of-life strategies may involve elder care as well as the management of financial resources.

### ESTATE PLANNING CHECKLIST

Your financial planner can also help you navigate other major life events.

- Do you have a valid will that reflects your current goals and objectives?
- Is the use of a living revocable trust or irrevocable life insurance trust appropriate?
- Does your choice of executor and/or trustee remain appropriate?
- Have you established a durable power of attorney and medical directives?
- Have beneficiary designations (primary and contingent) for retirement plans, annuities and life insurance policies been reviewed in the last three years?
- Has the impact of probate been considered for those assets passing under your will?
- Are you currently utilizing a lifetime gifting program of cash or ownership in a family entity?

## ABOUT THE AUTHORS

**Eric C. Kordsmeier, CFP®, AEP®** As Director of Financial and Estate Planning, Eric spearheads the effort to fully integrate the firm's investment management strengths with the firm's powerful array of wealth management capabilities. A member of the Dallas Estate Planning Council, Eric completed the American College's Accredited Estate Planner (AEP) program to further expand his knowledge of advanced studies in financial and estate planning.

**Thomas B. Walsh, CFP®** Tom, a Managing Director of the firm, customizes financial planning and wealth management strategies to his clients' individual needs. Past-president and chairman of the Financial Planners Association of Austin, Tom is a frequent wealth management guest columnist for the *Austin Business Journal*.

## ABOUT FRONTIER

Founded in 1994 and headquartered in Dallas, Frontier Investment Management Company offers a deeply resourced suite of wealth management solutions to individuals, families and institutions. Over the years, the firm has added new talent and expertise to meet client requirements for increasingly complex planning solutions. The growing Frontier team today includes 14 senior professionals with more than 200 years of combined financial industry experience. Held to a fiduciary standard, Frontier is an SEC-registered advisor and is obligated to put your financial interests ahead of its own.

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FRONTIER INVESTMENT MANAGEMENT COMPANY  
8401 N. CENTRAL EXPRESSWAY  
SUITE 300  
DALLAS, TX 75225

PHONE: 972.934.2590  
TOLL FREE: 800.553.8034  
FAX: 972.934.0002

[WWW.FRONTIERINVEST.COM](http://WWW.FRONTIERINVEST.COM)

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