Why should you have an estate plan? While having an estate plan is crucial to ensuring that your assets will be distributed according to your final wishes, this is only part of the equation. A comprehensive estate plan will serve a number of other important purposes as well, all of which are focused on providing certainty and financial stability for your loved ones no matter what the future holds.

While distributing your estate is certainly not a matter to be overlooked, here are seven additional considerations to keep in mind when preparing (or updating) your estate plan:

1. Avoiding the Costs and Uncertainty of Probate

When a person dies without an estate plan, his or her entire estate must be administered through the judicial process known as probate. Probate involves unnecessary costs and time delays; and, due to the lack of certainty afforded by an estate plan, disputes among family members are common.

2. Mitigating Potential Tax Liability

For many people, preparing an estate plan offers the opportunity to realize significant tax savings. Even if you are not subject to the federal estate tax (because your estate's total value is below the threshold of $5.49 million), making strategic use of the tax laws that apply to transfers of appreciated and depreciated assets can help your loved ones avoid substantial income and capital gains tax liability.

3. Establishing Guardianship for Minor Children

If you have minor children, appointing a guardian to care for them in your absence is a critical component of the estate planning process. Similar to probate, guardianship proceedings can be costly, time-consuming and disruptive for grieving families, and appointing a guardian in your estate plan will generally work to everyone's benefit.

4. Providing Financial Resources for Your Chosen Guardian

When appointing a guardian, you can also use your estate plan to supply the financial resources he or she will need to adapt to life with your children. This is in addition to any money you leave to your children directly using a trust or other estate planning tool.

5. Planning Your Funeral and Covering Funeral Expenses

Providing clear guidance for your funeral and setting aside money to cover your funeral expenses is another way that you can provide certainty and prevent unnecessary financial stress for your loved ones.

6. Planning for Incapacity

If you become incapacitated as a result of an illness or traumatic accident, who will make healthcare decisions on your behalf? Who will manage your finances? How will

they know what you would have wanted? These are all critical questions that you can answer in your estate plan.

7. Deciding Who Will Manage Your Final Affairs

After your death, you will need someone to take responsibility for managing your final affairs. You can leave it to the courts to appoint a personal representative in probate; or, you can choose someone you trust during the estate planning process.

Speak with an Estate Planning Lawyer in McKinney, TX

If you live in the McKinney, TX area and would like to speak with an attorney about your estate plan, you can contact the law offices of The Nordhaus Firm. To schedule a confidential consultation, please call (214) 726-1450 or contact the firm online today.