TOP 10 MOST COMMON ESTATE PLANNING MISTAKES

1. **Improper use of jointly held property.** Owning everything jointly makes the provisions of one's will ineffective. Property held jointly with the right of survivorship is left outright to the survivor. Frequently, an unequal amount of property goes to a joint tenant because he or she receives the property directly, while the decedent's will generally divides the assets to the remaining heirs on an equal basis.
2. **Improperly arranged life insurance.** If the primary beneficiary of your life insurance policy is deceased, and you never named a secondary beneficiary, your family can be in for big problems. If your children are minors, and you haven't designated a trust to hold the life insurance proceeds until they reach a certain age, then a court supervised and appointed conservator will have to be in charge of the money and the insurance proceeds are subject to claims in the estate.
3. **Lack of liquidity.** Not having enough ready cash available to cover death taxes and other final expenses is a major concern for many people.
4. **Choosing the wrong executor/trustee.** Often, an executor/trustee doesn’t have the time or expertise to devote to the often long and drawn-out process of estate administration. Or, how do you know that your executor/trustee will be fair and knowledgeable, and not display a conflict of interest?
5. **Will errors.** Too many wills do not get updated. People tend to draft wills when they get married or divorced, or when they have their children. The will often remains neglected for years after that. An incorrect will can pass property to an incorrect heir.
6. **Leaving everything to your spouse.** There can be serious tax consequences if you pass all your property to your spouse, and then he or she passes it along to your children. Leaving everything to a spouse isn't always the best way to proceed.
7. **Improper disposition of assets.** This is when your assets get passed along to the wrong person or at the wrong time. A 20-year-old, for instance might receive a larger amount of money than he or she is capable of handling. Inequitable distributions due to incorrect beneficiary designations is a major error.
8. **Failure to stabilize and maximize.** It's very important that you know, and record, the value of your business interests, and have an agreement in place that makes provisions for the business if you die. It's also important to make sure you've got primary and secondary beneficiary designations on all contracts—from IRAs to tax-deferred annuities. IRAs and other retirement vehicles often are a family's largest asset beside their home, yet they don't plan the accurate disposition to maximize death tax and income liabilities.
9. **Lack of adequate records.** Where are your assets located? Do you have an updated list of the names and numbers of your closest advisors? An executor needs access to last year's tax returns, the locations of all your bank accounts, information about insurance policies, and so forth. Make sure you record all relevant information and have it in an accessible location.
10. **Not having a master plan.** You can learn everything you can about estate planning, but if you don't have a well-thought-out master plan, you'll still be at square one. Be sure to take the time once a year to quantify in dollar terms your financial needs and objectives, and chart a plan for reaching your goal in the most efficient and effective way.

Having a clear and intelligent estate plan can help to put your mind at ease about the future, and assure that your heirs will get maximum benefits from what you leave behind. Estate planning is a useful tool, not something to be avoided or ignored.