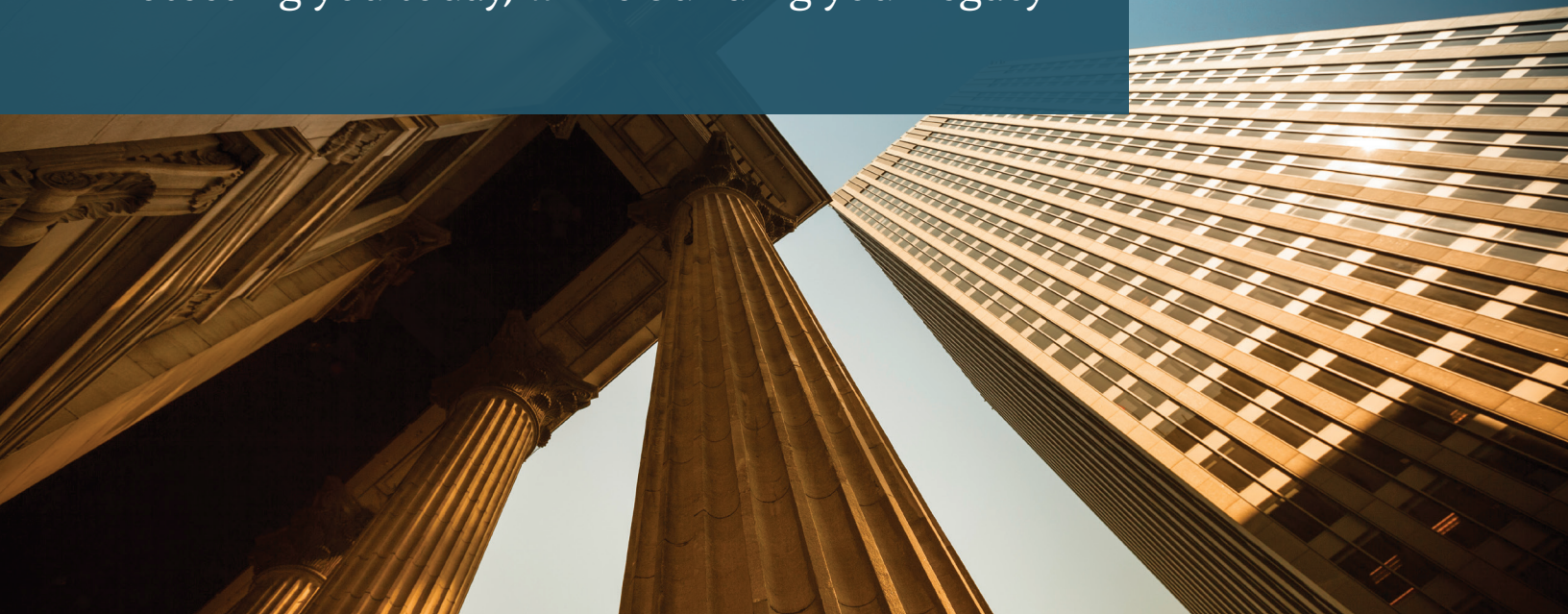




# The Importance of Estate Planning

Protecting you today, while building your legacy







# Why an estate plan is critical

Establishing an estate plan is one of the most important things you can do for your loved ones. Simply put, an estate plan is a group of legal documents—each with a specific purpose—that state how you want your assets distributed upon your death, and how you want people to decide health and financial issues if you become disabled during your lifetime.

While developing an estate plan can involve uncomfortable conversations and hard decisions, taking time now to put a plan in place can bring you confidence about the future—and ensure you build and preserve the legacy you want to leave behind.



# Setting up an estate plan

Developing your estate plan is best achieved by working with a team of professionals—including your financial advisor, an estate planning attorney, and a tax professional. Your team will collaborate to ensure your estate plan is thoughtfully constructed and aligned with your overall financial plan.

## They'll also help identify key issues you may need to address, including:

- Who will make medical decisions for you if you become disabled?
- Who should control your assets if you become disabled?
- How your assets should be distributed when you die?
- How guardianship of your minor children should be provided for in your will if you become disabled or die?
- How you would like to make charitable contributions?
- How to provide for a child with special needs?
- How to dispose of your business in the event you become disabled or die?

Based on your conversations and needs, your team will prepare and execute the documents you require for a comprehensive estate plan.





# Essential plan documents

Depending on your specific circumstances, you will likely need the following key documents:

## **LAST WILL & TESTAMENT.**

A will is a crucial part of your estate plan. It serves two main purposes—to outline who will receive your assets after debts and taxes are paid, and to specify a guardian if you have minor children. It also designates your “executor”—the person or institution that will oversee management of the estate and carry out the terms of your will. Without a will, your property would pass according to your state’s intestacy laws, and the results could be counter to your wishes.

## **LIVING WILL.**

A living will, also known as an advance directive, is a declaration of the life-sustaining medical treatments you will, or will not, allow in the event you become incapacitated. It provides important guidance for your family and medical team—including religious preferences—in the event you can’t communicate for yourself. If you are absent of a living will, the laws in your state will determine who will make your healthcare decisions.

## **MEDICAL POWER OF ATTORNEY.**

A medical power of attorney (or healthcare power of attorney) is a document authorizing another person to make medical decisions on your behalf—ideally to carry out what you’ve specified in your living will. It’s wise to consult with the person first, to be sure they understand your wishes, are comfortable with them, and will be strong enough to carry them out even if family members object.

## **FINANCIAL POWER OF ATTORNEY.**

A financial power of attorney lets you choose a trusted person to act on your behalf to handle your finances. This may include paying bills, selling securities, or making major financial decisions on your behalf. Without a power of attorney, your loved ones will have to go through the delay and expense of seeking approval from the court to carry out necessary financial transactions.

## **REVOCABLE LIVING TRUST.**

A trust can play an important role in estate planning. It can substitute for a will, or work in conjunction with your will. Whether you use a trust depends on your personal choice as well as advice from your estate planning attorney. One of the most common is a revocable living trust (RLT), which involves transferring assets into the trust for the benefit of your heirs. While you forego asset ownership, an RLT allows you to retain control of trust assets during your lifetime—which can make it a valuable planning tool in the event you become incapacitated.





## Other key considerations

### **CHARITABLE PLANNING.**

If you intend to make charitable gifts either during life or upon your death, there are a number of strategies to consider. You can name specific charities as beneficiaries in your will (gifts will pass upon your death) or in a living trust (gifts can pass during your life or upon death). You can also name specific charities as primary or contingent beneficiaries on retirement accounts or life insurance policies. And remember, charitable gifts reduce the size of your taxable estate. Your team of professionals can help you decide the best way to carry out your intentions.

### **SPECIAL NEEDS PLANNING.**

A special needs trust (SNT) is a type of irrevocable trust that holds property for a beneficiary with special needs. Importantly, it ensures that your loved one's eligibility for Supplemental Security Income (SSI) and Medicaid benefits will not be jeopardized—as it might be if you left them cash or other assets. The SNT will have a trustee chosen by you, who will ensure that the right amount of assets and income are available to provide your loved one with the best quality of life possible. Your estate planning attorney can help you with special needs planning.

### **BUSINESS OWNERSHIP.**

If you own a business, typically it will be the largest asset in your estate. If your business is part of the legacy you want to leave to heirs, consider making a specific gift of your business to someone in your will—or transferring ownership to a trust, so your trustee can manage the business and distribute profits. Depending on the type of business you have, not all business-related issues can be addressed in your will or trust. Therefore, succession planning is highly advisable to determine who your successor will be or whether your business should be sold upon your death. Consult with your professional team about succession planning.

### **INSURANCE.**

Life insurance can play a key role in your estate plan by providing protection for your family and/or business. It can provide for income replacement, serve as an asset you can pass on to heirs, and more. An effective vehicle is an irrevocable life insurance trust (ILIT), which holds life insurance policies outside of your estate. Because the ILIT owns and controls the insurance, proceeds paid upon your death are generally tax-free—and can be used by your heirs to cover estate taxes and other expenses.





## Important reminders



**REVIEW YOUR ESTATE PLAN.** Over time, family and financial situations change, along with tax laws. As a result, it's important to periodically review and update your estate plan, so that it continues to reflect your wishes and needs—usually every 3-5 years, and after major life events.



**STAY ORGANIZED.** When your loved ones are managing grief, you can lessen their burden by having kept complete and organized financial records. Be sure your heirs know where your estate plan documents are located, and how to get in touch with your Financial Advisor, estate plan attorney, and accountant when the time comes.

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## We are ready to work with you

At Eagle Strategies, we are committed to building successful, long-term relationships with you and your family. That commitment, coupled with our exceptional qualifications, experience, and access to impartial research, tools and resources, positions us well to help you build your estate plan—and leave a lasting legacy for your heirs.

**CONTACT US TODAY TO GET STARTED.**



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