

# Planning News



A Quarterly Newsletter | May | 2023

## In this issue:

- **Retirement Age Expectations vs. Reality**
- **Creating Your Own Operation London Bridge**
- **Famous People Who Died Without Proper Planning**

We hope you enjoy this issue of Planning News and its in depth and informative article content.

This newsletter is available quarterly via regular mail or e-mail. Please contact us if you would like to change your delivery method.

Also, you can sign up friends or family members to receive their own free copy of Planning News at our web site: [www.iwmusa.com](http://www.iwmusa.com)

## Retirement Age Expectations vs. Reality

Workers typically plan to retire much later than the actual age reported by retirees. In the 2022 Retirement Confidence Survey, 65% of workers said they expect to retire at age 65 or older (or never retire), whereas 69% of retirees left the workforce before reaching age 65. When choosing a retirement age, it might be wise to consider a contingency plan.



Source: Employee Benefit Research Institute, 2022

## Creating Your Own Operation London Bridge

"London Bridge is down." On September 8, 2022, those words were reportedly used to launch what was arguably the most complex end-of-life proceedings the world has ever witnessed: the funeral arrangements for Queen Elizabeth II. The plan, known as Operation London Bridge, laid out in exacting detail how the ensuing days would unfold. Although most families don't need a playbook as intricate as the royals, a comprehensive end-of-life plan can significantly ease the burden on family members during a highly emotional period.

### Guidance in a Medical Crisis

What would happen if you became incapacitated and could not make financial or medical decisions for yourself? To help ensure that your affairs continue to be managed by someone you trust and according to your wishes, you might consider creating a durable power of attorney (DPOA) and an advance medical directive. A DPOA authorizes someone to manage your finances on your behalf, while a medical directive documents your wishes for medical care, such as whether you want extraordinary measures to prolong life if there is no chance of recovery. There are several types of DPOAs and advance medical directives; each has its own purpose, benefits, and drawbacks and may not be effective in some states.

### Funeral Instructions

Planning your funeral or similar commemoration can relieve significant stress on your family members. Decisions would typically cover whether you want a burial or cremation, a wake with or without viewing, a religious ceremony or secular

INDEPENDENT WEALTH MANAGEMENT

### Jay Berger, CFP®

[jay.berger@iwmusa.com](mailto:jay.berger@iwmusa.com)

### Steve Fisher, CFP®

[steve.fisher@iwmusa.com](mailto:steve.fisher@iwmusa.com)

### Scott Hackney, CFP®

[scott.hackney@iwmusa.com](mailto:scott.hackney@iwmusa.com)

236 1/2 East Front Street  
 Traverse City, Michigan 49684  
 231 929 1086 *tel*  
 888 929 1086 *toll free*  
 231 346 5959 *fax*  
[www.iwmusa.com](http://www.iwmusa.com) *web*

The opinions expressed herein are solely the opinions of the respective authors. Certain material in this work is proprietary to and copyrighted by Forefield and is used by permission. Reproduction or distribution of this material is prohibited and all rights are reserved. Independent Wealth Management, LLC is a state Registered Investment Advisor.

event, and could include details such as music, readings, speakers/clergy, flowers, venues, and an obituary. You might discuss thoughts with family members, taking their ideas into consideration. You might also consult a trusted funeral director who can help you navigate the various options, decide whether to prepay for arrangements, and become a valuable resource to your family when the time comes.

#### Estate Management

The most fundamental components of an estate plan are also among the most important: a will and a letter of instruction. A will states how you wish to disburse your assets, names an executor to act as your legal representative, provides guidance for the management of your financial affairs, and (if appropriate) identifies who you want to be guardian of your minor children and their assets. A letter of instruction has no legal status but provides vital details that complement your will (see graphic). You might also familiarize yourself with the death-related tax rules at both the federal and state levels. The 2023 federal estate tax exemption is \$12.92 million. Although that sounds like a lot, 17 states impose their own estate and/or inheritance tax — most at much lower thresholds. When you consider that an estate includes the value of your home, insurance policies, retirement plans, and other assets, it may be easier than you'd expect to trigger a taxable situation. (Estate tax is imposed on the estate of the deceased, while an inheritance tax is imposed on the beneficiary.)

#### Seek Assistance

For more information on how to create your own Operation London Bridge, contact an estate planning attorney. Once your plan is established, store all documents in a safe place and communicate its location to your executor.

## Famous People Who Died Without Proper Planning

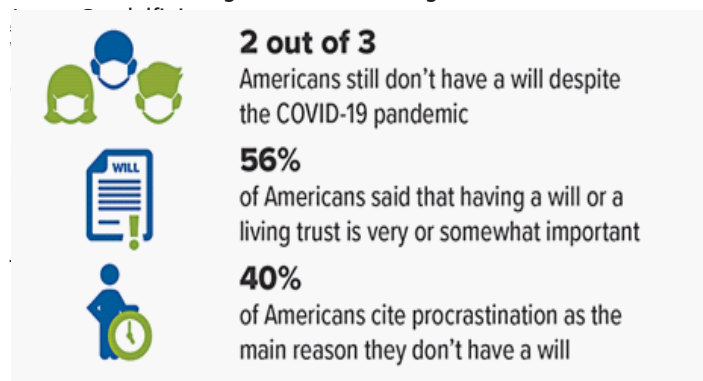
The importance of proper estate planning cannot be overstated, regardless of the size of your estate or the stage of life you're in. Nevertheless, it's surprising how many American adults haven't put a plan in place. You might think that those who are rich and famous would be way ahead of the curve when it comes to planning their estates properly. Yet plenty of celebrities and people of note have died with inadequate or nonexistent estate plans.

#### Michael Jackson

The king of pop died in June 2009 with an estate worth an estimated \$600 million. Jackson had prepared an estate plan that included a trust. However, he failed to fund the trust with assets prior to his death — a common misstep when including a trust as part of an estate plan. While a properly created and funded trust generally avoids probate, an unfunded trust almost always requires probate. In this case, Jackson's trust beneficiaries had to make numerous filings with the probate court in order to have the judge transfer assets to the trust. This process added significant costs and delays, and made what should have been a private matter open to the public. Trusts incur upfront costs and often have ongoing administrative

fees. The use of trusts involves a complex web of tax rules and regulations. You should consider the counsel of an experienced estate planning professional and your legal and tax professionals before implementing such strategies.

#### Americans Are Putting Off Estate Planning



Source: 2022 Wills and Estate Planning Study, Caring.com

#### Prince

Prince Rogers Nelson, better known as Prince, died in 2016. He was 57 years old, still making incredible music, and entertaining millions of fans throughout the world. The first filing in the Probate Court for Carver County, Minnesota, was by a woman claiming to be his sister, asking the court to appoint a special administrator because no will or other testamentary documents were filed. Since Prince died without a will, the distribution of his over \$150 million estate was determined by state law. In this case, a Minnesota judge was tasked with culling through hundreds of court filings from prospective heirs, creditors, and other "interested parties." The proceeding was open and available to the public for scrutiny.

#### Barry White

Barry White, the deep-voiced soulful singer, died in 2003 without a will or estate plan. He died while legally married, although he'd been separated from his second wife for many years and was living with a long-time girlfriend. He had nine children. Because he had not divorced his wife, she inherited everything, leaving nothing for his girlfriend or his children. Needless to say, a legal battle ensued.

#### Heath Ledger

Formulating and executing an estate plan is important. It's equally important to review your documents periodically to be sure they're up-to-date. Not doing so could result in problems like those that befell the estate of actor Heath Ledger. Although Ledger had prepared a will years before his death, several changes in his life transpired after the will was written, not the least of which was his relationship with actress Michelle Williams and the birth of their daughter Matilda Rose. The will left nothing to Michelle or Matilda Rose. Fortunately, Ledger's family later gave all the money to his daughter, but not without some family disharmony.

Florence Griffith Joyner

An updated estate plan works only if the people responsible for carrying out your wishes know where to find these important documents. When Olympic medalist Florence Griffith Joyner died in 1998 at the young age of 38, her family couldn't locate her will. This led to a bitter dispute between her husband, Al Joyner, and Flo Jo's mother, who claimed her daughter had promised that she could live in the Joyner home for the rest of her life.