

## Generational Wealth Transfer Series

# FIVE COMMON ESTATE PLANNING MISTAKES

When was the last time you said, “Today is the day I’m going to draft my estate plan”?

We all know it’s a good idea, but many of us fail to put a plan in place. Don’t delay any longer. It’s critical to make key decisions to protect your assets, and your family, down the road. Here are some common oversights and assumptions to avoid as you construct your estate plan.

**1**

### You don’t need to be rich to have a plan

If you die without a will, whatever assets you own will be distributed according to the rules of your state. And it’s highly unlikely that their views are consistent with yours. Estate planning is about more than how you leave your assets to your future heirs. It entails other important considerations, such as your preferences for end of life care, providing for your children after your death, even your funeral wishes. Perhaps just as important, putting your intentions in writing will reduce the burden on your loved ones.

**2**

### Forgetting to update your beneficiary designations

Your company’s 401(k) plan, your insurance policies, your IRA... do you remember who you designated as beneficiary? These designations will override what is written in your will, so it’s important to periodically check to make sure they are up to date. Remember, life is constantly changing and new people will enter, and leave, your life. Without updating, a deceased person or former spouse could remain listed as your beneficiary.

**3**

### It’s not written in stone

Remember that once your plan is drawn up, it is not finished. You may feel relieved when it’s done, inclined to file it away for the future. But remember that your world, your family, even federal tax policies will keep changing. So too must your estate planning strategies. It is important to revisit your plan at least annually and after significant life events, such as marriage, divorce or the birth of a child.

**4**

### The unexpected really could happen

While death is an eventual certainty, an unexpected accident or long-term disability could have significant consequences on your financial affairs, as well as those of your family. When you craft your estate plan, you will make important decisions about your end of life care, as well as who will handle your finances or make health care decisions on your behalf. Doing this will not only contribute to your comfort today and in the future, it helps reduce anxiety and stress for your loved ones should this situation ever arise.

**5**

### Failing to consult an experienced financial professional

Estate planning is not simply drawing up a will that you found online. Seeking the guidance of an estate planning professional, even if you don’t have a lot of assets, can help your heirs avoid a significant tax bill upon your death. Professionals do more than just provide you with tax-planning advice based on your specific goals and objectives. They will make sure all the proper documents are in place and offer guidance on selecting the professionals — executors, guardians, health care agents — who will oversee your plan for you.



## LEARN MORE

It is essential to plan for your future and that of your family. An up-to-date estate plan can ensure that your wishes are fulfilled, both during your lifetime and afterward. Please speak with an estate planning specialist for more information on estate management issues, or with your financial professional for more information on BNY Investments products and services.

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This information is general in nature and is not intended to constitute tax or estate planning advice. Please consult your tax or estate planning financial professional for more detailed information on these issues and guidance on your specific situation.

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