

Strategic Thoughts on Estate Planning and Trusts in Times of Sweeping Change

In this series of brief articles, we will touch on strategies to help you assess your circumstances and, if necessary, reassess your financial plan. Though no one can predict the future, including the specific unfoldment of this catastrophe or another one in the future, planning may mitigate the severity of losses and help you protect your wealth.

Planning may also help you reduce emotional stress as you establish your personal intentions and ensure they will be followed in seeking the best possible outcomes.

TOP 5 PRIORITIES AS YOU REVIST YOUR FINANCIAL PLAN

At any time—but especially in times of heightened stress—it's helpful to start with the "big things" first. We've made note here of the highest priority items around wealth planning for you and your family.

1. Re-evaluate your goals

In time of change, you need to be proactive. Financial goals may need to be re-assessed, which may lead to implementing and executing a new plan. Working in tandem with your advisors to devise effective strategies to mitigate negative financial impacts may be reassuring. Here are some questions to guide your re-evaluation:

- *Are my planning goals the same if the current crisis were to continue?*
- *Is family time more important than career or earning a higher wage?*
- *Is proximity to loved ones an important factor—and possibly more so, now, having experienced what distance means during times of crisis?*
- *Is personal health and fitness at levels where it should be?*

Especially if your answers to these questions are different than prior to the current crisis, it may be time to recast your goals and establish new priorities grounded in a new reality for yourself and your family.

2. Review your Living Will and Estate Plan

Now is the time to review your estate plan documentation. Make sure that your plan is suitable for your current estate and goals. Although many individuals are aware of the importance of having Wills, Trust Agreements, Durable Powers and Health Declarations, many delay their decisions to finalize their plan. Communicating your wishes to your family member(s) now is important so they clearly understand your desires. This is especially

true for family members who may serve as Trustee of your Trusts after you pass away, but look for opportunities to establish clear communication with other family members as well.

Ensure any Living Wills reflects your wishes and are up to date. These carry provisions related to Do Not Resuscitate (DNR) clauses and may include exacting language prohibiting intubation under all circumstances. If you contract COVID-19, it is possible that you would need to be intubated to survive. If your Living Will states that you do not want to be intubated, the result may be a tragic denial of care you need to survive.

3. Plan for disruptions to business operations

The impact of COVID-19 for many business owners continues to grow as many companies are closed for business or working with a reduced staff. Close communication with expert advisors is important as events unfold, to stay strategic about the financial impacts, including liquidity strains that may arise. We are beginning to see companies concerned about their finances and drawing down on their lines of credit to preserve liquidity. Additional financing or amendments to any existing debt arrangements may be a consideration.

4. Adapt your tax plan to evolving deadlines, if needed

In response to COVID-19, the IRS announced a delayed deadline for paying taxes. Taxpayers will now have until July 15, 2020 to pay their taxes, but the filing deadline remains April 15. Given the change in the federal tax payment deadline, most state legislatures are likely to follow suit. California, for example, has already extended the state deadline to June 15. However, check with your state before making assumptions about payment deferrals.

5. Philanthropic Giving

COVID-19 is a different kind of disaster than a hurricane or a flood. It is both global and personal, touching every one of us in some way or another. Non-profits working in areas identified as having high number of vulnerable populations need support to help those in need.

Yet the pandemic crisis and the need for social distancing have cut off event-based means for charitable fundraising, such as galas, runs, concerts, etc. Your favorite charities and non-profits rely on these fundraisers to sustain themselves year to year. Without the donations, many will not survive to realize their missions. The same is true for many small churches and other places of worship that rely on the weekly donations of gathered members.

So, give thought to how you can support organizations doing important work—both in acute support of the current crisis and in continuing unrelated work after the crisis.

If you are actively involved in non-profit fundraising, here are ideas to consider:

- Make a decision if you need to postpone or cancel the event and communicate it to your donors in a personalized manner, such as through phone calls and conference videos.
 - o If you postpone make sure you delay to the fall, not simply later this spring or early summer.

- o If you cancel, ask the attendees if they would like to donate the value of the ticket since this revenue is needed by your organization.
- Communicate with your donors and sponsors regularly, reminding them that they are helping to solve a community problem. Tell the story with passion (not urgency).
- Create virtual events, such as online auctions or internet-based telethons, making use of online platforms such as Zoom or Skype.
 - o Be aware of the need for software subscriptions.
 - o Connect with every single person who has attended one of your events or made a donation before and personally ask them to participate in the online event.
 - o Utilize social media to create awareness and promote it daily. Just like QVC, you need to promote each item to make it attractive to your donor.
 - o If doing a telethon, ask a big personality to be the entertainer.

CONCLUDING THOUGHTS

One of the immediate lifestyle changes is "social distancing" to help slow the spread of the virus, given no acquired immunity in the population. This means new routines, new habits, and new perspectives. Given that no one knows how long this will be the new normal, make plans to maintain social distancing for at least another month or so.

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