



“

...in this world nothing can be said to be certain, except death and taxes.

”

Benjamin Franklin wrote these famous words to a friend in 1789, just months before his own passing at age 83.

Franklin's comment was right on the money, as it were—so right, in fact, that it continues to ring true over 200 years later.

Planning for one's eventual death can be quite complicated and challenging, depending on one's financial circumstances and willingness to engage in the task. Many people would prefer to put it off until years of precious time have passed.

Yet based on decades of conversations with AMG clients, we've found that the fear of bringing up the topic is much worse than the reality of tackling it. In fact, many find that end-of-life planning eases their burden heading into illness or old age—and is a tangible gift left to loved ones. Ensuring financial security for your survivors and clearly communicating your values and wishes helps to ease their grief and the stress of taking necessary legal and logistical steps.

### **End-of-Life Planning Checklist**

By working your way through the following items, you will answer the most frequently asked questions we hear from clients as they age.

1. What are my values and wishes for end-of-life care?
2. Will my loved ones be financially secure should I become ill or die?
3. If there is excess wealth, how and to whom should it be distributed?

### **Why Is End-of-Life Planning Important?**

- Provides guidance for handling potential health incapacitations in the family
- Helps survivors navigate key decisions at a difficult, emotional time
- Creates peace of mind for you and your survivors that your affairs will be taken care of
- Helps ensure survivors' financial security
- Leaves a legacy to your survivors and, if applicable, future generations
- Transfers your excess wealth efficiently, ideally by minimizing taxes and fees in the process
- Maximizes the assets that can go to beneficiaries without passing through probate court
- Avoids potential conflicts among beneficiaries by being clear about your values and intentions



## Prepare Your End-of-Life Documents and Talk About Your Wishes

No matter your current health, it's always a good time to start talking about your values and wishes for end-of-life care. Delaying the conversation may become a missed opportunity to provide your caretakers and loved ones with valuable information about what you want. Organizations seeking to demystify the process, such as [TheConversationProject.org](https://www.theconversationproject.org), have tools to assist you in both living and dying well.

Typical components of your end-of-life documents include:

- **Living will.** A living will (also known as an advance health care directive) states your wishes for end-of-life medical care should you become unable to communicate such wishes yourself. It provides valuable guidance to family members and medical personnel alike. Note that states have specific requirements for living wills and rules governing when they take effect.
- **Health care proxy.** The health care proxy appoints someone to make medical and/or end-of-life decisions on your behalf should you become unable to do so on your own. Without it, your family may need to obtain legal guardianship over you to make these decisions.



- **Do-not-resuscitate order (DNR).** A DNR indicates that you don't want to receive cardiopulmonary resuscitation if your heart stops beating, and sometimes prevents other medical interventions as well. There is a DNR for when you are in the hospital and another if something were to happen

to you while not in the hospital. Most commonly, a physician decides whether to implement the DNR based on a combination of medical judgment and your expressed wishes.

- **Disposition of remains.** This is a comprehensive set of instructions for the treatment of your remains upon death (e.g., burial, cremation, liquefaction, organ donation, medical research). It gives you the opportunity to describe in detail the burial and funeral arrangements you desire or already have made, and to name and give contact information for your doctor, local coroner, and other relevant service providers. You also can leave specific directions for a memorial service and draft an obituary if you like. AMG has created a helpful final arrangements document ([click here to view](#)).



## Ensure Your Loved Ones Will Be Financially Secure

AMG clients typically come to us seeking a fully customized financial plan that will work for them today and into the future as their life circumstances change. AMG's *Financial Security Analysis* is the backbone of our relationship with clients, helping to avoid post-retirement feelings of insecurity by calculating the after-tax cash flows needed to maintain a client's accustomed lifestyle given various scenarios, including disability or death. Importantly, our integrated service platform includes financial planning, investments, tax, trust, charitable giving, and banking, providing a way for clients to implement their plan with the least amount of friction and with the most flexibility to address changing needs.

In our experience, in addition to the *Financial Security Analysis*, these are the key types of documents to create to provide financial peace of mind:

- **Estate organizer.** Being organized is the foundation of a successful estate plan. A comprehensive list of your financial accounts, key documents, professional advisors and medical providers—with contact information for all—will be invaluable to your survivors. We've created a convenient organizer for this purpose ([click here to view](#)).
- **Durable power of attorney (POA).** While a standard POA allows you to appoint an individual to handle your legal or financial affairs, a durable POA remains in effect if you become incapacitated, such as by dementia.

- **Letter of instruction.** A letter of instruction can provide an easy-to-understand explanation of your overall estate plan to your executor and lay out your wishes to your family regarding anything that your will doesn't expressly cover. A good one should include a variety of useful information as well as personal messages about people or topics important to you.

- **Inventory of key bills.** Create an inventory of your financial assets (both tangible and intangible), liabilities, and recurring obligations. Devote particular attention to your bills that must be paid regularly. This list is vital not only on a practical level, but also for emotional well-being: Bill paying is frequently cited as one of the top stressors for surviving spouses. Typically, women bear the brunt of this stress because they tend to outlive their husbands.

- **Consider a couple of tips for staying organized.** First, try to consolidate your accounts where possible—e.g., bank accounts, credit cards, and retirement plans—to simplify and reduce your recordkeeping ([see our article](#), "Consolidating Your Investments Makes Good Sense"). Next, routinely review your primary and contingent account beneficiaries to make sure they're up to date.

- **Digital organizer.** Your survivors will appreciate a list of your online accounts and digital property in one handy document that includes web addresses and login information. We've created a convenient form for this purpose ([click here to view](#)).

Consider using a password manager app to organize and protect your usernames and passwords. These apps can consolidate access information for the too-many-to-remember sites you use, automatically log you in and electronically secure credentials against hackers. Especially for social media sites, consider designating how your online presence should be managed or memorialized after your death, and by whom.

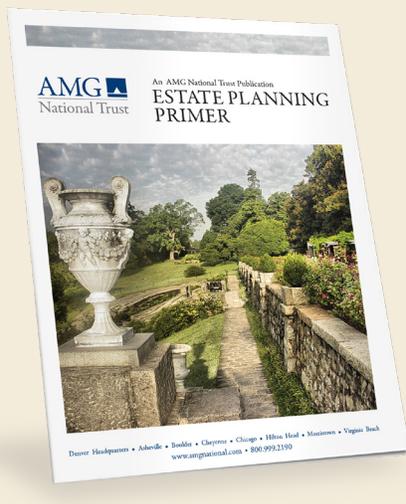
- **Guard against identity theft.** While the digital age has brought incredible technological innovations and benefits, it also has enabled huge growth in a particularly personal kind of crime: identity theft. Provide a recovery phone number for two-factor identification on your email accounts so your designated legacy contact can close the accounts. Designate someone to do the following after your death:

- Notify credit reporting agencies.
- Close your credit cards
- Cancel your driver's license
- Notify the post office and cancel any subscriptions if no one will be at your home

## RESOURCE

### AMG Estate Planning Primer

[Click here](#) for the 25-page primer.



## Leave a Legacy: Transition Your Estate Efficiently

If you have an estate—and certainly in the case of significant excess wealth—there are a variety of things you can do to pass it on efficiently to your survivors. At AMG, our impartial, knowledgeable wealth advisors specialize in communicating the complex interaction of assets, liabilities, investment accounts, trust structures, and taxes. They provide the resources needed to make the choices that are right for you based on your individual values and legacy

planning goals, and help you navigate the often-difficult decisions involved.

For your loved ones, much can be gained from early, open, and honest discussion about your estate transfer strategy. Choose a comfortable environment for the conversation, ideally in person. Express to everyone beforehand that you're coming from a place of sincerity and transparency. Emphasize that talking is beneficial for all involved. And try to talk during a period of relative calm and not when a crisis strikes, which can raise the family temperature and make it harder to act with clear minds.

RESOURCE  
**AMG's Better  
Way to Wealth  
Conversations**  
*Leaving a  
Legacy*

[Click here](#) for the  
**Interview: Leaving a  
Legacy (Video 14:12)**



[Click here](#) for the **Special  
Report: Leaving a Legacy**



Through such a family meeting you may discover, for instance, that some family members expect you to leave them specific property or household items, which is an especially frequent cause of tension. Much of your wealth may be tied up in your business or concentrated stock positions that you intend to reduce or liquidate—which can directly affect what or how much your beneficiaries inherit. You might have assumed that someone would be a good executor or trustee, only to find out that she or he is not interested in such roles. Or your family may not be aware that you'd like to leave part of your estate to a favorite charity.

One last point here: The conversation should be ongoing and not a one-time occurrence. When communication is open-ended and expected, you and your loved ones are much more likely to get closer and be on the same page.

## I. Will or Trust?

In terms of your estate transfer strategy, a key decision is whether to govern its distribution using a will or a trust. Each offers pros and cons.

- **Wills.** Compared to a trust, the key advantages of a will (i.e., last will and testament) are that it doesn't involve the retitling of assets, and places your estate under the supervision of probate court, which provides an enforcement mechanism if you're concerned that your assets might not be distributed according to your wishes.

However, court supervision also can be considered a disadvantage, as it can be costly and time consuming. Furthermore, because a will is a public record, anyone can gain access to the sensitive personal and family information that a will may include.

- **Trusts.** Using a living trust (combined with a simple pour-over will) allows you more flexibility for change and allows you to pass your property to your heirs without going through probate. This typically allows for faster distribution of assets than the execution of wills (which is especially advantageous in states with complex probate laws) and maintains your estate's privacy. If you have property in multiple states, a trust can pass the assets without additional legal proceedings, which may be needed with a will. The biggest disadvantage of trusts is setting them up: They generally have higher preparation costs than wills, and you need to make sure assets are titled in the trust's name to avoid probate.

There are numerous types of trusts to consider. AMG has prepared a [list of trust types](#) that names the most common and explains what each does.

## II. Consider a Corporate Trustee

Regardless of whether you choose a will or trust, you must designate someone to implement its provisions. That person or entity is called an executor or personal representative for a will or a trustee for a trust. ([See our article](#), “An Inside Look at a Trustee’s Key Responsibilities.”)

In the case of a trustee, we encourage clients to consider designating a specialized professional known as a corporate trustee to serve as full or co-trustee to administer the trust. Engaging a corporate trustee can bring these benefits:

- Serving as a trustee includes a significant number of time-consuming responsibilities such as monitoring securities and other assets, writing checks, hiring third parties and preparing tax returns. A seasoned corporate trustee has the resources to handle these tasks most efficiently.
- A corporate trustee has the time, experience and knowledge to properly administer the trust according to its terms, with expertise in changing tax laws, investment management, accounting and legal requirements.
- As a neutral third party, a corporate trustee has the objectivity and discretion to make and deliver necessary decisions that may be unpopular with beneficiaries.
- Corporate trustees are subject to federal or state regulatory oversight and undergo routine audits.
- A corporate trustee can help ensure the continuity of sound administration for the term of the trust, even through multiple generations.

AMG’s deep and experienced corporate trust team serves in such a capacity for many of our clients.



## III. Gifting Strategies to Reduce Your Taxable Estate

To help maximize the value of assets you leave to your survivors, there are several gifting strategies you can employ. Be sure to consult your tax advisor, as tax law is complex and changes frequently.

Here are some gifting approaches:

- **Spousal Lifetime Access Trust (SLAT).** The [SLAT](#) is an irrevocable trust created by one spouse for the benefit of the other spouse and if desired, children and/or grandchildren. The grantor funds it with gifts made while the grantor is still alive, allowing beneficiaries to receive distributions during the grantor’s lifetime.

What makes the SLAT compellingly attractive for wealthy families is the current federal lifetime estate and gift tax exemption, which in 2025 is \$13.99 million for individuals and is at an all-time high. A spouse thus can make a one-time gift of up to \$13.99 million to the trust this year and pay no taxes on the gift. The maximum exemption doubles to \$27.98 million for married couples if each spouse gifts the individual maximum to a trust. Under current law, these amounts apply through 2025.

- **Charitable Remainder Trust and Charitable Lead Trust.** For those who are charitably inclined, both of these trusts enable the grantor to donate or transfer highly appreciated assets such as a concentrated stock position—and potentially reduce estate taxation in the process.
- **Donor-advised fund.** A donor-advised fund is a pool of assets specifically intended to support charitable organizations. By contributing cash, securities or other assets to the fund, donors generally can take an immediate tax deduction and still advise on which qualified charities will benefit from the funds. AMG was an early proponent of donor-advised funds: We created the [AMG Charitable Gift Foundation](#) in 1995.
- **529 college savings program.** A 529 plan, named for the provision in the Internal Revenue Code that established it, enables donors to contribute cash to pay for qualified educational expenses of a designated beneficiary. Some states allow donors to deduct up to a certain amount of a given year’s contribution from that year’s state income. But the biggest bang for the buck comes at the federal level: You can contribute up to \$19,000 per year (or \$38,000

if married and filing jointly) without triggering federal gift taxes. Alternatively, you can make a single \$95,000 contribution (or \$190,000 for married couples) and elect to spread the gift over five years.



- **Roth IRA.** A Roth IRA is a great vehicle for gifting to children early in their careers. You can establish an account for yourself by contributing after-tax dollars up to the maximum limit of \$7,000 in 2025, with an additional \$1,000 per year allowed if you're over 50. The money grows tax free and can be withdrawn tax free by meeting certain requirements. By naming your child as beneficiary, the account—which can grow to a substantial sum over time—passes directly to the child upon your death and does not go through probate.
- **College tuition.** By paying a student's tuition directly to a college, grandparents can potentially remove a significant amount from their taxable estate. Direct

tuition payments don't count toward the \$19,000 annual gift tax exclusion amount or the \$13.99 million lifetime gift tax exemption.

- **Medical bills.** Paying someone else's medical expenses works similarly. If you make payment directly to the medical care provider, the institution providing the care or the medical insurance provider, the amount of the payment isn't subject to gift tax treatment.



## Work with Experts

Easing the burden for your loved ones by creating, implementing, and updating a cohesive end-of-life plan can be complicated: It requires highly specialized knowledge and capabilities, and everyone's values and circumstances are different. We believe that a team of highly experienced and skilled professionals offers you the best opportunity to craft a plan that can meet your needs.

AMG has provided wealthy individuals and their families with first-class estate planning services since we were founded in 1975. Our group of experts in all of the relevant disciplines—financial planning, investment management, tax, trust administration, philanthropy, and banking—works together as a seamless unit dedicated to helping you. We succeed when you succeed.

Please contact us to talk about planning your estate. We'd welcome the chance to hear about your goals and share our thoughts on how to achieve them.

**To schedule a free consultation with an AMG financial advisor call 303.486.2959.**

## DISCLOSURES

As of January 2024. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, legal or tax advice. AMG's opinions are subject to change without notice, and this report may not be updated to reflect changes in opinion. Forecasts, estimates, and certain other information contained herein are based on proprietary research and should not be considered investment advice or a recommendation to buy, sell or hold any particular security, strategy, or investment product. Data contained herein was obtained from third-party sources believed to be reliable, but AMG does not guarantee the reliability of any information contained in this report.



AMG helps executives, high net worth individuals, business owners, and institutions discover a better way to wealth. We work closely with you to develop integrated financial solutions customized to your unique goals and backed by our insightful research, thoughtful innovation, and decades of experience. Capitalize on your opportunities with a knowledgeable partner focused on your vision and your success.

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