



Proactive Estate Planning – Looking ahead to 2024

BY ELI WORKMAN, FINANCIAL PLANNER

When it comes to estate planning, it is important to structure your assets to pass efficiently and effectively to your beneficiaries. To be best prepared to do this, one must understand the probate process.

With the start of 2024 upon us, it's the perfect time to review your estate plan! Being proactive with your estate plan can mean reviewing and updating beneficiaries, power of attorney, potential guardians, charitable giving, and maximizing the Gift/Estate Tax Exemption.

We recommend first looking at all the named individuals within your estate plan, either in legal documents or in a beneficiary capacity. Your primary and contingent beneficiaries can be a family member, trust, organization, or an estate. You can have as many primary beneficiaries or contingent beneficiaries as you wish to have as long as they each have a portion of the account that adds up 100%. Next up, you should make sure your power of attorney and healthcare proxy are individuals you trust to make decisions should a situation arise. It is also important to identify a guardian for minor children under your care. You want to make sure it is an individual you can trust to give them the life they need to grow and prosper. Finally, your trustee should be someone that you are confident can disburse your estate properly without any setbacks and with efficiency.

Next, look at any charitable giving you might want to do in 2024 and beyond. Charitable contributions not only help your legacy plan but also give you a chance to make a difference in the lives of others. Once you know a charity or charities you wish to give to, there are a few ways to accomplish this. You can contribute directly to a charity with cash, utilize Donor-Advised Funds (DAFs), or gift non-cash assets (stocks) to the charity. Please note that the method used has different tax deduction limits. Per the IRS, your deduction for charitable contributions generally can't be more than 60% of your Adjusted Gross Income, but in some cases, there can be lower limits. We at MCF are happy to assist you with how you might utilize charitable giving in your estate plan.

Finally, let's review the Lifetime Gift/Estate Tax Exemption which can be a benefit to you and your estate. In 2024, the lifetime exemption for individuals is \$13.61 million and \$27.22 million for



married couples. Those same exemption amounts apply to the Generational-Skipping Transfer (GST) Tax. These Lifetime exemption amounts are scheduled to be reduced by about half effective 1/1/2026 as the law is currently written. It is important to plan ahead given these future limit reductions.

Additionally, the amount a person can gift annually to another person in 2024 without impacting their lifetime exemption is \$18,000 for individuals and \$36,000 for married couples. These gifts can be made directly to individuals or into trusts, custodial accounts, or 529 college savings plans.

Estate planning can be a sensitive subject for some people, but it can provide much relief when done properly, not just for you but for your family as well. If you have any questions about estate planning or would like us to sit down and review it with you, please let us know.



IMPORTANT DISCLOSURE INFORMATION

MCF Advisors, LLC ("MCF") is a SEC registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. More information about the adviser can also be found by visiting: <https://adviserinfo.sec.gov/>. This is not intended as an offer or solicitation with respect to the purchase or sale of any security. MCF may only transact business in those states in which it is registered, or qualifies for an exemption or exclusion from registration requirements. Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by MCF), or any non-investment related content, made reference to directly or indirectly in this blog/newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this blog/newsletter serves as the receipt of, or as a substitute for, personalized investment advice from MCF. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. MCF is neither a law firm nor a certified public accounting firm and no portion of this content should be construed as legal or accounting advice. A copy of MCF's current written disclosure statement and customer relationship summary ("Form CRS") discussing our advisory services and fees continues to remain available upon request. The scope of the services to be provided depends upon the needs of the client and the terms of the engagement. If you are a MCF client, please remember to contact MCF, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.