

Beyond Annuities: Protect Your Legacy with Estate Planning



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At MassMutual Ascend, we understand the importance of a secure future. That's why we don't just offer products to help you reach your financial goals – we also provide educational tools and resources that can help you navigate your future with confidence.



Build the legacy you want

Annuities can provide valuable income and security for you and your loved ones, but without proper planning, these benefits may be diminished by taxes, delays or unintended distribution outcomes.

That's why estate planning is an important step in securing your legacy. It helps ensure that your assets are distributed according to your wishes, may reduce potential conflicts among family members, and can even minimize taxes and legal complications.

Your legacy is worth protecting, no matter the size of your estate. In this brochure, we'll explore the basics of estate planning, the building blocks of a solid plan and mistakes to avoid, so you can safeguard what's important to you and take your legacy above and beyond.

What is estate planning?

An estate plan helps ensure that your assets will be distributed according to your wishes when you're no longer capable of making financial, legal or health-related decisions. Estate planning often involves executing important legal documents (such as a will), confirming medical wishes, nominating guardians for minor children or other dependents, and figuring out who will inherit your assets.

Who is estate planning for?

A 2024 Wills and Estate Planning Study found that only 32% of Americans have an estate plan, and 40% of people who don't have a will say it's because they don't have enough assets.¹

The reality is that estate plans can benefit anyone, regardless of your net worth. You don't need to have a lot of assets to decide what you want to happen to them when you die, or to state your preferences for your care should you become incapacitated.

Without a plan, you may be leaving your loved ones with the burden of trying to settle your estate, which can involve stress, costs and delays in distributing assets. An estate plan can help maintain your control of your assets.

¹2024 Wills and Estate Planning Study; Caring.com. www.caring.com/caregivers/estate-planning/wills-survey.

Having an estate plan can help:



Build and protect your legacy



Minimize expenses, taxes and probate costs



Control how and when your assets are distributed



Protect your privacy and ensure your wishes are carried out

Building blocks of an estate plan



Wills

A will is a legal document that gives you the power to specify how you want your assets and property to be distributed after you die. A will can:

- Transfer assets directly to your beneficiaries or to a trust.
- Nominate a personal representative who will manage your estate and manage asset distribution.
- Nominate a guardian for your minor children.

If you die intestate (without a will), you'll have no say in where your assets go. Instead, your estate will be distributed according to your state's intestacy laws, which may not align with your wishes.



Power of attorney

With a power of attorney document you can authorize someone (called an agent) to make decisions on your behalf.

There are two main types of powers of attorney:

- A **springing power of attorney** only goes into effect when certain conditions are met, such as if your doctor determines you do not have the capacity to act for yourself.
- A **durable power of attorney** gives someone else legal authority to act on your behalf, and it continues in force even if you lose mental capacity.



Advanced health care directive

An advanced health care directive is a legal document in which you determine either what medical decisions should be made or who should make those decisions on your behalf. The document only applies if you do not have capacity to later express your wishes.



Trusts

Some estate plans include trusts, which can be used to manage and distribute your assets and enhance privacy. If you own an annuity, trusts may help avoid probate by ensuring that your estate does not end up as the beneficiary of your annuity. Trusts may also be used to reduce expected transfer taxes, which means leaving more to your loved ones. With most trusts, you serve as initial trustee, and you may designate successor trustees who must act as fiduciaries according to your instructions.

Common mistakes to avoid

Procrastination

Forty-three percent of Americans cite simple procrastination as the most common barrier to estate planning.² And it's understandable – few people enjoy thinking about their mortality.

As a result, many people delay creating an estate plan.

Not having an estate plan can lead to stress for family and loved ones, family disputes and legal battles over your assets, and loss of control of medical decisions if you become incapacitated. Creating an estate plan now can bring peace of mind that your assets will be distributed how you wish and relieve your loved ones of trying to guess what you would have wanted.

It's never too late – or too early – to consult with an estate planning attorney and determine what type of estate planning is best for you.

Outdated documents and forms

Establishing a proper estate plan is step one, but these documents are not a “set it and forget it” solution. Big life changes, such as a birth, death, divorce, marriage, or moving to a new location, can all affect your plan and require updates and revisions. Changes in tax and estate laws could also potentially affect your estate plan. It's important to review your estate planning documents with an estate planning attorney periodically to ensure your plan is up to date.

² 2024 Wills and Estate Planning Study; Caring.com. www.caring.com/caregivers/estate-planning/wills-survey.

Failure to change beneficiary information

When you create or update your estate plans, it's important to also review the beneficiaries you have designated for your annuity, as well as your investment and retirement accounts. Failure to coordinate beneficiaries could lead to the proceeds of these accounts going to someone who you did not intend. The beneficiary forms on these accounts are legally binding documents and typically take precedence over whatever is stated in your will.

Keeping your plan a secret

Many people don't discuss their estate plans with family members nor the fiduciaries (such as personal representatives and agents) who they have designated.

According to SeniorLiving.org, many wills are uncovered only after an estate settlement has begun, and only 46% of executors were aware of the wills to which they were named.³

Talking through your estate plan with relevant individuals and family members can help keep everyone informed, minimize confusion and provide clear direction on how you want your assets handled.

Going it alone

Creating a comprehensive estate plan is complex and can be overwhelming, especially when you consider all the legal and tax aspects involved in the process. It's important to consult with an estate planning attorney who can help you avoid mistakes and guide you through the process to create a plan that works best for you.

³Estate Planning Report; SeniorLiving.org. www.seniorliving.org/finance/estate-settlement-annual-report.

How to get started with estate planning



Identify and think through specific goals

One of the most important first steps you can take when building your estate plan is identifying what assets and values are important for you to pass on to your beneficiaries. Think about what you want to leave to whom – and why and when. Document any questions and concerns you might have so you and your team can develop strategies to mitigate them during the planning process.



Gather information

Gather the documentation you will need, including all asset account information and any debts or liabilities. Choose your beneficiaries and named representatives and have their contact information available for filling out relevant forms.



Seek help from experts

Assemble a team of trusted professionals. Be sure to include your financial advisor, as well as an attorney and other experts who are trained on tax implications, strategies for avoiding probate and best protecting your assets. They can help guide you through the process to create a plan that is tailored to your specific circumstances.

MassMutual Ascend

Taking financial futures above and beyond

At MassMutual Ascend, we are committed to going above and beyond – so when it comes to your financial future, the impossible feels possible.

Estate planning is a comprehensive process that helps to ensure you'll leave the legacy you want. Talk to an estate planning attorney today about establishing an estate plan and help bring peace of mind as you plan for your future.

All situations are unique, and this brochure only provides general information. Therefore, you should consult with qualified professionals who can provide advice relevant to your specific circumstances. For estate planning, you should speak to an estate planning attorney.

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