PLAN. INVEST. THRIVE.

ESTATE & LEGACY

Leaving it *well*.

A legacy isn't only what you pass down — it's **how clearly you pass it**. The right vehicles, set up the right way, prevent confusion, save taxes, and make sure the next generation actually receives what you intended. This is the plain-language guide.

WHAT YOU'LL FIND INSIDE · 5 SECTIONS

> An estate plan isn't a stack of documents. It's ***a conversation that survives you***.
>
> — MPM WEALTH ADVISORS

Most plans answer *only* the first.

Estate planning quietly answers three separate questions. They're connected, but each requires its own work. **The plans that go sideways usually nailed the first one and skipped the other two.**

QUESTION 01

What are you *leaving?*

The balance sheet. Investment accounts, retirement accounts, real estate, businesses, life insurance, personal property, debts. **This is the easy part.** Your annual review meeting already covers it.

QUESTION 02

To *whom?*

Beneficiaries. Children, spouse, grandchildren, charities, friends. **And in what proportions.** Spelled out clearly enough that a court doesn't have to guess.

QUESTION 03

How?

The vehicles — will, trust, beneficiary designation, lifetime gift. **Each does a different job**, and the wrong one can undo the answers to questions 1 and 2.

The "how" is where the real planning lives. Two families with identical balance sheets and identical heirs can end up with wildly different outcomes — one pays $200,000 in needless taxes and probate; the other passes everything cleanly in 60 days. The difference is rarely about the lawyers. It's about which vehicles got chosen, kept updated, and coordinated with each other.

The *facts of the law* that shape every plan.

FEDERAL & OHIO ESTATE / INHERITANCE LANDSCAPE · 2026

$15M

Federal estate & gift exemption per person. $30M for a married couple. Permanent under OBBBA (2025), indexed for inflation.

$19,000

Annual gift exclusion per recipient. $38,000 per couple. Doesn't count against the lifetime exemption. Reset every January.

$0

Ohio estate or inheritance tax. Ohio repealed its estate tax in 2013. Federal is the only estate-tax exposure for most Ohio residents.

What this means in practice for most clients we serve: at the federal level, you can pass roughly $30 million as a couple before the estate tax starts to bite. For the vast majority of Ohio families, that means estate planning isn't primarily a tax-avoidance exercise — *it's a clarity-and-control exercise*. The vehicles still matter enormously; they just matter for different reasons. Avoiding probate. Coordinating retirement accounts. Protecting a special-needs heir. Keeping a blended family intact. Reducing future income tax on inherited IRAs.

For higher-net-worth clients — particularly those with concentrated stock, large IRAs, or appreciated real estate — the tax conversation re-enters. The vehicles in the next section apply either way; the *weight* we put on each depends on where you sit on the balance sheet.

Each tool does a *different job*.

There are roughly a dozen vehicles in common use. They fall into four families. **A well-built plan uses three or four of them in combination** — not because more is better, but because each family covers a different gap.

Family 1 Foundational documents

Every adult needs these — net worth doesn't matter

FOR DIRECTING ASSETS

Last will & testament

Names who receives what, names a guardian for minor children, names an executor. **Goes through probate** — a court process that's public, slow (6–18 months in Ohio), and incurs fees.

FOR INCAPACITY

Durable power of attorney

Names someone to handle your financial affairs if you can't. Without one, your family may need a court guardianship — expensive and slow.

FOR MEDICAL DECISIONS

Healthcare power of attorney

Names someone to make medical decisions if you can't speak for yourself. Paired with a living will (your wishes on life-sustaining treatment).

FOR YOUR FAMILY

HIPAA authorization

Lets specific people (adult children, parents) access your medical information. Hospitals require it — even from a spouse, sometimes.

Family 2 Trusts

When you want control over how & when assets are received

FOR PROBATE AVOIDANCE

Revocable living trust

You retitle assets into the trust during your life; at death they pass directly to heirs, **skipping probate entirely**. You stay in full control while alive. Common for clients with real estate or who want privacy.

FOR PROTECTING HEIRS

Testamentary trust

Created by your will at death — e.g., assets held in trust for a minor until age 25 or 30. Useful when you want kids to inherit, but not all at once.

FOR CHARITABLE GIVING

Charitable remainder trust (CRT)

Donate appreciated assets, get income for life (or a term of years), **remainder goes to charity**. Income-tax deduction up front; capital-gains tax avoided. Powerful for highly appreciated stock or real estate.

FOR SPECIAL-NEEDS HEIRS

Special needs trust (SNT)

Lets you provide for a disabled heir **without disqualifying them from Medicaid or SSI**. Mandatory for any family with this situation.

FOR LIFE INSURANCE

Irrevocable life insurance trust (ILIT)

Owns your life insurance policy outside your estate. Keeps the death benefit from increasing your taxable estate — relevant for higher-net-worth households nearing the $15M/$30M exemption.

FOR ESTATE-TAX CASES

Spousal lifetime access trust (SLAT)

Each spouse creates a trust funded for the other. **Uses your lifetime exemption while you're alive**, removing growth from your taxable estate. For clients above or approaching the federal exemption.

Family 3 Beneficiary designations

The most overlooked — and the most overriding — tool in the toolbox

FOR RETIREMENT ACCOUNTS

IRA / 401(k) beneficiaries

Pass directly to whoever's named — **overriding your will entirely**. Subject to the SECURE Act 10-year payout rule for non-spouse heirs. The single most important paperwork in many estates.

FOR LIFE INSURANCE

Life insurance beneficiaries

Also bypass your will. Pay tax-free to beneficiaries. Update at every life event — an outdated beneficiary form is the #1 source of unintended inheritance.

FOR BANK ACCOUNTS

POD & TOD designations

Payable-on-death (POD) for bank accounts, **transfer-on-death** (TOD) for brokerage. Free, easy, immediate. Bypasses probate.

FOR OHIO REAL ESTATE

Ohio transfer-on-death affidavit

Ohio allows real estate to pass directly to named beneficiaries via a recorded affidavit — no probate, no trust required. Underused by Ohio homeowners.

Family 4 Lifetime transfers

Moving wealth out of your estate while you're still here to see it

FOR EVERYONE

Annual exclusion gifts

$19,000 per recipient per year ($38,000 per couple), no paperwork, doesn't touch your lifetime exemption. A grandparent & spouse can move $152K/year to four grandchildren.

FOR EDUCATION

529 plan superfunding

Front-load 5 years of annual exclusion gifts ($95K/$190K) into a 529. Grows tax-free for the named beneficiary. Powerful for grandparents funding college.

FOR CHARITABLE GIVERS

Donor-advised fund (DAF)

Contribute appreciated stock now, take the deduction now, decide which charities to support later. **Avoids capital-gains tax on appreciated assets.**

FOR IRA OWNERS 70½+

Qualified charitable distribution (QCD)

Direct up to $108,000/year (2026) from your IRA to charity. Counts toward RMDs. **Never hits your taxable income.** Among the most efficient ways to give after 70½.

03 SEVEN BEST PRACTICES

What the *well-organized* plans have in common.

Across the hundreds of estate plans we've helped coordinate, the ones that go smoothly tend to share these traits. **None of them are about being rich.** They're about being intentional.

1

Update your beneficiary designations every five years — and after every life event.

Marriage, divorce, a death, a new child or grandchild, a job change with a new 401(k). *The form on file at the custodian beats the will, every time.* A surprising number of inheritances go to ex-spouses still listed on a long-forgotten retirement account.

2

Have a family conversation while you can lead it.

Tell your heirs the broad shape of the plan, where the documents live, who the attorney is, and why you made the choices you did. **Silence creates conflict. Clarity prevents it.** The hardest estate-fight cases we see almost always trace back to surprise.

3

Keep a "where everything is" document.

One single page that lists: location of the will and trust documents, attorney's name and number, accountant's name, key account custodians, life insurance carriers, location of the safe deposit box and key, location of digital passwords. Stored with your spouse and at least one adult child.

4

Coordinate your IRA with your estate plan — and the SECURE Act 10-year rule.

Since 2020, most non-spouse heirs must **fully distribute an inherited IRA within 10 years**. That can mean a $1M IRA inherited by a 50-year-old in their peak earning years gets withdrawn into a 32%–37% tax bracket. There are strategies — Roth conversions during your lifetime, trust structuring, careful beneficiary choices — but they require planning *before* death, not after.

5

Use the step-up in basis intentionally.

When you die, assets in your taxable accounts get their cost basis "stepped up" to market value — **erasing decades of unrealized capital gains, completely tax-free**. That makes appreciated stock and real estate ideal to *hold* until death, and less-appreciated assets the right ones to gift or sell during life. The tax bill on a $500K appreciated stock can be $100K+ if sold now, or $0 if held to death.

6

Give while you're alive, intentionally.

The $19,000 annual gift exclusion ($38K per couple) is rarely used to its full capacity — but stacked across multiple recipients and multiple years, it moves real money out of your estate while you're alive to enjoy the giving. *You get to see what your gifts do.* For larger families, this alone can move millions over a decade.

7

Layer your charitable giving for efficiency.

If you give meaningfully to charity, the *vehicle* changes the tax math by a lot. Cash works. Appreciated stock works better (no capital gains). A donor-advised fund batches multiple years of giving into one high-deduction year. After 70½, qualified charitable distributions from your IRA never hit your AGI. **The same dollar to the same charity, structured differently, costs you very different amounts.**

The ones that cost *real money* — or split real families.

These aren't hypotheticals. Every item below is something we've personally seen happen to a family that didn't see it coming. **Most are easy to fix once they're flagged.** The cost of fixing them is always less than the cost of not.

1 **Outdated beneficiary forms.**

An ex-spouse still listed on a 401(k) or life insurance policy. A child born after the form was filed who isn't on it. **The form on file wins.** Wills don't override beneficiary designations. Probate courts have repeatedly upheld outdated forms even when everyone agreed it wasn't what the deceased "would have wanted."

2 **Naming "my estate" as beneficiary of a retirement account.**

Forces the account through probate (slow, public), accelerates the income-tax bill on the entire account (no 10-year stretch), and may expose it to creditors. **Almost always wrong.** Name actual people (or a properly structured trust) instead.

3 **No conversation with the heirs.**

The plan is logical to you because you wrote it. To your children, it can look arbitrary or unfair. **Most contested estates aren't contested because the will is unclear — they're contested because no one explained it.** Particularly important with blended families and unequal distributions.

4 **Documents your family can't find — or can't access.**

The will is in a safe deposit box no one has the key to. The trust is at an attorney who retired. Digital accounts have no password list. **A perfectly drafted plan that no one can locate is worse than no plan at all.**

5 **Ignoring the second-death problem.**

Plans built around "we'll handle it when one of us dies" frequently fall apart when the second spouse goes — especially if cognitive decline preceded it. **The second death is when assets actually transfer to the next generation.** Make sure the plan still works when both spouses are gone, not just one.

6 **DIY documents downloaded from the internet.**

They work right up until the moment they don't. Probate courts in Ohio reject improperly witnessed wills routinely. **A $500 attorney bill becomes a $25,000 probate fight** when the document doesn't meet state requirements. Estate planning is one of the few financial tasks where the DIY savings almost never pay off.

7 **Funding the trust on paper but not in practice.**

The trust exists; the assets are still titled in your individual name. **An unfunded trust does nothing.** Real estate, brokerage accounts, and bank accounts have to actually be retitled into the trust's name. This step is missed often enough that we make it part of our annual review.

Estate planning is a *team sport*.

We don't draft estate documents — that's your attorney's job, and we'll happily recommend ones we trust if you don't have one. **What we do is the financial coordination around them**: making sure the plan you signed actually executes the way it's supposed to.

Where we add value beyond the attorney: coordinating your beneficiary designations with the rest of the plan, projecting the tax impact of different inheritance structures, modeling the SECURE Act 10-year rule against your heirs' tax brackets, identifying which assets should be gifted in life vs. held for the step-up at death, designing charitable strategies that match your giving intent, and re-checking the whole plan after every major life event. We sit between you and your attorney, and we keep the math honest.

MPM

Our five commitments to your legacy plan

A

We review your beneficiary designations annually.

Every fall, as part of your annual review, we pull a fresh copy of every beneficiary form on every account. The 30 minutes prevents the most common estate mistake there is.

B

We coordinate with your estate attorney directly.

With your permission, we'll send the attorney your account titles, account values, beneficiary forms, and questions in advance — so the meeting you're paying for is spent on decisions, not data collection.

C

We model the tax math of different structures.

Before you sign anything, we'll show you the projected outcome — what your heirs receive, after taxes, under three or four different vehicle choices. *The math is rarely close.*

D

We keep a living "where everything is" file for you.

A secure document, updated annually, that lists every account, every key document, every key advisor, every key beneficiary. So your family can find the plan when they need it.

E

We're in the room for the family conversation.

If you want to bring adult children into a meeting to explain the plan together, we'll structure it and help you tell the story. *It's one of the most valuable hours we ever spend with a family.*

PLAN. INVEST. THRIVE.

A good legacy isn't about ***what*** you leave.

It's about whether the people who receive it understand what it cost you to build, what you hoped it would do for them, and how to honor it. That's the part the documents can't say. That's the part the conversation does. We're here for both.

Sources: Internal Revenue Code §§ 2010 (estate & gift exemption), 2503(b) (annual exclusion), 401(a)(9) and SECURE Act of 2019 / SECURE 2.0 Act of 2022 (10-year payout rule), 408(d)(8) (qualified charitable distributions); One Big Beautiful Bill Act (OBBBA, 2025) for permanent estate-tax exemption at $15M; Ohio Revised Code Ch. 2107 (Wills), Ch. 5302.22 (Transfer-on-Death Designation Affidavit), Ch. 5815.36 (Trusts), Ch. 1337 (Powers of Attorney), Ch. 2133 (Living Will Declaration); IRS Publication 559 (Survivors, Executors, and Administrators); IRS Publication 950 (Introduction to Estate & Gift Taxes); American Bar Association estate-planning standards. Not legal advice — please work with an Ohio-licensed estate attorney for your documents.