

# What's Your Legacy?

*A legacy is what we leave behind in others.*



**GenFi 360**  
Genesis Financial



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When we speak of families and legacies, we often think on the basis of love. There are different types of love; amorous, romantic, puppy love, and the love we have for our families, children, etc. You are uniquely positioned to express love in so many different capacities. But perhaps the most important way to express it is to protect those you love. Whether it be yourself, your family, or your children from what inevitably comes down the pike.

Ask yourself, “Why don’t people plan?”. What parent would not want to spare their child of pain, or avert disaster for a surviving spouse? What patriarch or matriarch wouldn’t want to improve the life paths of their children and grandchildren?

Who wouldn’t want to create a legacy for their heirs? Planning is the epitome of expressing love and care to your family. Think about it, why would someone not have a plan for retirement, long-term care, life insurance, or estate planning? Not having a plan doesn’t necessarily mean you don’t care. It means that you may be in denial of the truth of aging, which is a fair reaction since it’s a common defense mechanism of humans. Perhaps you’re fearful, or you simply lack understanding of the topic.

In hindsight, most people would have a plan, but reality has a funny way of sneaking up on us when there is too little or its too late to make an impact. Being prepared can help avoid pain for your loved ones and aid in creating positive moments of relief.

Imagine being an active facilitator in conversations between generations, surviving spouses, heirs, and collaborating on your estate planning rather than waiting for the posthumous bomb to drop in the attorney’s office. What if that dialogue included some spending money during your lifetime to celebrate the family, money that would have otherwise gone to probate and estate taxes?

Envision the freedom that is created with a lifetime income plan, and how that vacates resources for things like helping the children start that business or buy that home? It is all about creating value and giving permission to spend and enjoy where possible. Picture the gift that is created with leverage, like long-term care planning that protects the estate from spend down or protects the surviving spouse from impoverishment.

Also, consider the multi-generational approach to life insurance. I cannot imagine how we can get through the future without a significant increase in taxes and potentially a volatile economy. The gift of large life insurance death benefits may make the difference between the “haves and have-nots” of the future.

Creating a Legacy is primarily about lessons and values imparted to families, however creating the financial resources to accompany those lessons brings that transference to life.

If you are not protected from probate, estate settlement fees, and the headaches associated with the estate planning process (both during life and after), it is time to start, and we can help you. If you are not proficient at creating retirement income blueprints that create income floors that cannot be outlived, dig in with us. If you are not yet comfortable with creating generational wealth, don't wait! Call us for assistance today.



If you don't have an estate plan, the government has one for you and your family. A common misconception with estate planning and legacy protection is that you only need a trust or a will. The truth is, you need both, and then some.

**To have a proper estate plan your “package” consider include the following:**

***Revocable Living Trust (RLT)*** – This can be the centerpiece of the estate planning portfolio. This written document determines how your assets will be handled after your death. “Revocable” gives you the control to make changes, transfer assets in and out, and even revoke while you are still living.

**Last Will & Testament** – Also known as a “Pour-Over Will”. This is used in conjunction with a RLT and its primary function is to convey everything you have forgotten to fund into the trust prior to your death. This does not avoid probate, so it is important to get your most important items into the trust. The document also declares your appointed guardians for minor children or disabled adult dependents.

***Durable Power of Attorney (POA)*** – Durable means that the appointment of the power will “endure” even after your incapacitation. A POA gives the agent the power to make certain decisions on your behalf when you are unable to. **Durable Financial POA** – this appoints an agent to perform financial decisions regarding any assets not funded in the trust at the time of your legal incapacitation. (Assets in the trust will be managed by the trustee.) Having a POA protects your privacy and saves money by avoiding expensive court and legal fees. **Durable Healthcare POA** – This document allows your appointed agent to make important health care decisions in the event of your incapacitation, including the continuation of life support systems.

***Living Will & Advanced Medical Directives*** – This allows you to determine how you want medical care administered if you have a terminal illness or are in a comatose state. These instruments will convey your wishes to medical professionals (such as your choice whether to be kept alive by artificial means or not).

***Certificate of Trust*** – This is primarily for providing evidence to a transfer agent (brokers, bankers, account managers, etc.) about certain facts concerning your trust. This document helps protect your privacy by not disclosing the full details of your trust when funding assets into your trust.

## STORY:

Ruth and Lynne, sisters, grew up the best of friends. They were close in age so they would hang out with the same people, go to the same places, and they were inseparable. They lived a modest life with their parents, who owned a convenience store. They didn't have a lot of fancy things, but their things were nice. Their mother, however, had an amazing collection of family heirlooms. Everything from their great-great-great grandmother's leather-bound Swedish bible to hand sewn linens, to black and white family photos. After their father passed, their mother decided to move away. She didn't have enough room for all her belongings, so she left them with Lynne temporarily. Their mother ended up passing away a few years later. Ruth decided she would love to have some of those memorable items and asked Lynne to share what was left behind with her. Lynne on the other hand decided that the items had been with her so long that they belonged to her. Ruth ended up with nothing. These two sisters live in the same town, same community, and even shop at the same grocery stores. These sisters haven't talked in over 5 years now. Imagine if their mother had taken the time to bequest those items. Those two sisters would still have a relationship to this day and would have a shared bond over these sentimental tokens. *(This is intended for illustrative purposes only.)*

What Is Estate Planning? The arranging for the disposition and management of one's estate at death through the use of wills, trusts, insurance policies, and other devices. Therefore, estate planning is about death. Death, taxes, probate (avoidance), courts, attorneys, accountants, executors, trustees, documents, fees, delays, fighting and frustrations. Estate planning can also infer that one has an estate. The implication then is that estate planning is reserved exclusively for the wealthy. Legacy planning however, used as a synonym for estate planning, carries a different connotation altogether. "A Legacy is what you leave behind in others; the planning we are doing right now gives them the capacity to act on that gift."



An important question that we begin asking ourselves as humans more frequently with each passing year is something along the lines of, “How can I make a positive impact in this world beyond myself and my end date?” and “How can I make life easier, better, and more significant for my child, community, or even strangers I may never meet?”

I believe we have a moral obligation to help as many people leave a legacy of significance for their people. Yes, this means good estate planning (for everyone who has any level of assets) but it is so much more.

**Let’s close on what this really means. Legacy Planning consists of the following:**

### **THE ESTATE PLANNING COMPONENT:**

- Properly funded Trusts to avoid probate.
- Non-trust assets properly structured with POD, TOD and updated beneficiaries.
- Well-structured Wills, designating important items going to the right people.  
(Imagine the family wars created when people decide to let their heirs sort it out!)
- Advanced Directive so difficult decisions do not have to be debated by loved ones.
- Financial Powers of Attorney so that important transactions can continue if someone is incapacitated.
- Healthcare Power of Attorney designating who should make important decisions if my body quits before I do.



The Legacy Component: A family love letter allows our clients to speak love into the hearts of their families and leaves instructions for their values and wishes.

A powerful part of this message could include, “Lessons I have learned about money and what I want you to know about the gift you are receiving.” This final note is an opportunity to right a wrong that could just never be addressed on this side, or to kindly and gently encourage good behavior. An example could be, “Johnny, I’m so proud of you for staying clean, and your trust will allow you to keep making great choices while accessing your inheritance every five years. Keep it up!”

The bottom line is this: Making an impact beyond us can be done without resources by simply being a wonderful person, but the effect is multiplied exponentially with capacity. Maximize that capacity by considering how each of the estate planning strategies above applies to your situation and then think about the following:

- **Life Insurance:** Leveraging a larger death benefit for heirs turning small dollars into BIG tax-free dollars.
- **Living benefits:** (Life Insurance, Annuities, and LTC) keep the clients in the comfort of their own home and accessible to the family as long as you can while mitigating estate shrinkage as long as possible.

These types of resources can make a huge difference in your care experience, and quality of life towards the end. Lifetime income that you cannot outlive.

Tom Hegna, Retirement Expert says you should create a paycheck and a “play-check” for life. The paycheck will take care of your living expenses, but if we all designated one check every month for joy, even just \$1000 to spend on something fun, to give it to someone to impact their life, to go see a child or grandchild, or whatever, can you imagine what a Legacy you will be living while still alive to see and enjoy it? Give yourself permission to spend! Make it a goal. How about we create a lifetime inflation-proof income with all the qualified money and buy a big old life policy to fund the family Legacy?

If we provide all the protections, spend the right monies at the right times, and do this thing right, the Legacies left behind will change the future for generations to come. Think about this, why does the name Rockefeller still carry so much sway today? John D. passed away almost a century ago. His name and impact is his Legacy. What’s yours?

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