



FREQUENTLY ASKED QUESTIONS ABOUT WILLS

WHAT IS ESTATE PLANNING:

An estate is the sum of a person's assets – their legal rights, interests, and entitlements to property of any kind – less any liabilities owed. Put another way, it's what you own minus what you owe.

Careful legal planning can ensure that your financial goals are met and that your family is taken care of after you pass away. A comprehensive estate plan combines several elements, including a will, a power of attorney, and a living will declaration with a health care representative designation. For some, a trust may also make sense.

Where Do I Start?

Taking inventory of your assets is a good place to start your estate planning. Your assets include your investments, retirement savings, insurance policies, and real estate or business interests.

Ask yourself these questions:

- 1) **Whom do you want to inherit your assets?**
- 2) **Whom do you want handling your financial affairs if you're ever incapacitated?**
- 3) **Whom do you want making medical decisions for you if you become unable to make them for yourself?**

Frequently Asked Questions about Wills

What Happens If You Die Without A Will?

If you die without a will in Indiana, then your assets will be distributed according to Indiana law in place at the time of your death. Dying without a will – also known as dying “intestate” – can be costly to your heirs and leaves you no say over who gets your assets. The current Indiana statute, Indiana Code 29-1-2, provides for the distribution of your estate if you die without a will.

What Does A Will Do?

A will designates which beneficiaries are to inherit your probate assets. A will names your Executor, the person you chose to administer your estate and be responsible for distributing those assets to your beneficiaries. A will names your Guardians for your children. A will only controls probate assets, which are property that passes under the decedent's will or by intestate succession.

Should I Tell My Beneficiaries About My Estate Plan?

Discussing your estate plans with your beneficiaries or heirs may prevent disputes or confusion. Inheritance can be a loaded issue. By being clear about your intentions, you help dispel potential conflicts after you're gone.

Questions Regarding Estate and Inheritance Taxes

Will My Estate Be Subject To The Federal Estate Tax (the “Death Tax”)?

For 2024, the estate and gift tax exemption is \$13,610,000 per individual. That means an individual can leave \$13.6 million to heirs and pay no federal estate or gift tax, while a married couple will be able to shield twice that amount. However, in 2026, the exemption is set to return to the 2017 level of \$5 million, adjusted for inflation.

Will My Estate Be Subject To The Indiana Inheritance Tax?

Indiana has repealed the state-level inheritance tax.

What can I do during my lifetime to give gifts tax-free and reduce my estate?

You may give up to \$18,000 a year to an individual (or \$36,000 if you're married and giving the gift with your spouse). You may also pay an unlimited amount of medical and education bills for someone if you pay the expenses directly to the institutions where they were incurred. Please sure to talk to your accountant or financial adviser for more information about these options.

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317-417-8638 AVONLAW.US