

Ask an Attorney: 7 Answers to Your Questions About Estate Planning

Nicole M. Flaherty Cropper is an attorney at Fafinski Mark & Johnson, P.A. in Eden Prairie, where she specializes in trusts and estates. Nicole and her family are members at All Saints Catholic Church located in Lakeville, Minnesota, where she grew up. Below, Nicole helps us better understand estate planning by answering your most common questions.

01 What are the benefits of having an estate plan?

Completing an estate plan allows you to control what happens to you and your assets in the event of incapacity during life, a medical emergency, or terminal medical event.

Perhaps most importantly, it is a gift to your loved ones to put together a well-organized estate plan because it lessens their burden upon your death when they are grieving your loss.

02 I'm not wealthy. Do I need to have an estate plan?

Yes. Not having a plan in place could cost your estate more than creating a plan would. Your estate and the legacy you leave behind are important no matter the size, and a gift of any amount to an individual or organization could have significant impact.

Additionally, with a smaller estate it can be important to protect the assets during life to preserve them for retirement and beyond.

03 What happens if I die without an estate plan?

If you don't plan before you pass, Minnesota statutes will control the administration of your estate. These intestate statutes generally result in the people most closely related to you — your surviving spouse, children, parents, etc. — inheriting your assets.

04 When do I need to update my current estate plan?

You should review your estate plan every 3-5 years and update your estate plan anytime there is a major change in your life or the life of any named beneficiary.

Examples of life events that could require an update include death, marriage or divorce, incapacity or another medical issue, chemical dependency issues, or financial issues.

Also, laws change over time. That's why it's important to work with an attorney to complete your estate plan. My practice is to send out a notice or legal alert to all my clients when a law changes that may impact their estate plan.

05 What are some easy ways to include charity in my estate plan?

You can simply name your parish or favorite nonprofit as a direct beneficiary of some assets. You can also make a designation in your will or trust for them to receive a set dollar amount or percentage of your estate.

06 What are the best assets to fund my philanthropy after I'm gone?

This should be tailored to you and your family based on your assets and goals. However, you may want to consider talking to your tax advisor about income tax planning opportunities during life and at death. Often, qualified retirement accounts are the best asset to use for charitable planning — now and when you pass away— because of the tax consequences. This is especially true given the 2020 enactment of the SECURE Act, which has provisions that impact all inherited retirement accounts.

07 Are Catholics called to have an estate plan?

While this is a personal decision, there are certainly ways to incorporate Catholic social teaching and other Catholic principles into your estate plan.

Further, many Catholics view their estate plan as their final act of stewardship and an opportunity to transmit Catholic values to the next generation or to their loved ones.

We advise you to seek your own legal, tax, and financial advice in connection with gift and planning matters. The Catholic Community Foundation of Minnesota and its staff do not provide legal, tax, or financial advice.

Call us to learn more.

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