

COPING WITH AN INHERITANCE

by Dominic Lucente

A windfall from a loved one can be both rewarding and complicated.

Inheriting wealth can be a burden and a blessing. Even if you have an inclination that a family member may remember you in their last will and testament, there are many facets to the process of inheritance that you may not have considered. Here are some things you may want to keep in mind if it comes to pass.

Take your time. If someone cared about you enough to leave you a sizable inheritance, then you will likely need time to grieve and cope with their loss. This is important, and many of the more major decisions about your inheritance can likely wait. And consider, too – when you're dealing with so much already, you may be too overwhelmed to give your options the careful consideration they need and deserve. You may be able to make more rational decisions once some time has passed.

Don't go it alone. There are so many laws, options, and potential pitfalls – the knowledge an experienced professional can provide on this subject may prove to be vitally important. Unless you happen to have uncommon knowledge on the subject, seek help.

Do you have to accept it? While it may sound ridiculous at first, in some cases refusing an inheritance may be a wise move. Depending on your situation and the amount of your bequest – it may be that estate taxes will drain a large amount. Depending on the amount that remains, disclaiming some of (or all) the gift is worth contemplation.¹

Think of your own family. When an inheritance is received, it may alter the course of your own estate plan. Be sure to take that into consideration. You may want to think about setting up trusts for your children – to help ensure their wealth is received at an age where the likelihood that they'll misuse or waste it is decreased. Trust creation may also help you (and your spouse) maximize exemptions on personal estate tax.

The taxman will be visiting. If you've inherited an IRA, it is extremely important that you weigh the tax cost of cashing out against the need for instant funds. A cash out can mean you will have to pay (on every dollar you withdraw) full income tax rates. This can greatly reduce the worth of your bequest, whereas allowing the gains of the investment to continue to compound within the account, and continuing to defer taxes, may have the opposite effect and help to increase the value of what you've inherited.

Stay informed. The estate laws have seen many changes over the years, so what you thought you knew about them may no longer be correct. This is especially true about the taxation on capital gains. The assistance of a seasoned financial professional may be more important than ever before.

Remember to do what's right for you. All too often, an inheritance is left in its original form, which may be a large holding of a single company – perhaps even one started by the relative who bestowed the gift. While it's natural for emotion to play a part and you may wish to leave your inheritance as it is, out of respect for your relative, what happens if the value of that stock takes a nosedive? The adage "never put all your eggs in one basket" may be wise words to live by. Remember that this money is now yours – and the way in which you allocate assets needs to be in line with your needs and goals.

**Dominic Lucente may be reached at 603.645.8131
or Dominic.lucente@LPL.com
Dlucente.com**

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment. Financial planning offered through Northeast Planning Associates, Inc. (NPA) a registered investment adviser. Securities and advisory services offered through LPL Financial, a registered investment adviser and member FINRA/SIPC. Insurance products offered through NPA, LPL Financial, or its licensed affiliates. The Credit Union, NPA and LPL Financial are unaffiliated.

Citations.

1 - thebalance.com/will-you-have-to-pay-taxes-on-your-inheritance-3505056 [4/8/19]

With You From Start To Finish...



... and Every Step Along the Way

WHETHER YOU'RE BUILDING A FAMILY, SAVING FOR YOUR CHILDREN'S EDUCATION, STRATEGIZING CARE FOR AGING PARENTS, OR PLANNING FOR A NEARING RETIREMENT, WE CAN HELP YOU CREATE A FINANCIAL PLAN TAILORED TO YOUR UNIQUE REQUIREMENTS AND DREAMS.

It's never too early, it's never too late.

CONTACT US TO START PLANNING TODAY!



Dominic M. Lucente, CFP®, RFC®
CERTIFIED FINANCIAL PLANNER™

NORTHEAST PLANNING ASSOCIATES, INC.

425 Hooksett Road · Manchester, NH 03104
(603) 645-8131
dlucente@northeastplanning.com
www.dominiclucente.com



Financial planning offered through Northeast Planning Associates, Inc. (NPA), a registered investment adviser. Securities and advisory services offered through LPL Financial, a registered investment adviser and member FINRA/SIPC. Insurance products offered through NPA, LPL Financial or its licensed affiliates. The Credit Union, NPA and LPL Financial are not affiliated. 18-174

Not NCUA Insured | No Credit Union Guarantee | May Lose Value

Financial Planning for All of Life's Seasons.

**No matter where you are in life,
we can help you plan for tomorrow.**



PLUMBING
and
HEATING Corp.

603-225-6929

MBE0000478

SELLAR CHIROPRACTIC CLINIC

Dr. John A. Sellar, BS, DC

Chiropractor

PRO ADJUSTER

35 West Street Concord, NH 03301

and

603-224-3883 Fax 603-224-6782

Impulse Instrument

concordnhchiropractor.com

sellarchiropractic@yahoo.com

**Voted the Region's # 1 Chiropractor 2015 –15 years running
New Hampshire Magazine's Top Chiropractors of 2014 & 2015**