

# Why Estate Planning Matters

Proper estate planning ensures the preservation of wealth – and its intended purpose for you and your family. The best planning keeps your family secure, both while you’re alive and long after you’re gone. Improper or lack of planning may expose your family to lengthy legal proceedings, unnecessary taxes, probate fees, and more.

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## Simply put, a well-designed estate plan allows you to:

- Protect your loved ones by avoiding probate
- Safeguard your family’s financial future
- Specify guardians for your children to avoid court-appointment or foster care
- Keep your beneficiaries current
- Make sure assets are titled and allocated appropriately
- Ensure fiduciaries are still the right people for the job
- Minimize potential estate tax

Waterfall
Estate Diagram
Estate Tax
Beneficiaries
Fiduciaries

### Estate Plan

▼ John A. Jones's Revocable Trust

FIDUCIARY	DATE OF DOCUMENT EXECUTION	ROLE	DESIGNATION
John A. Jones	10/1/2019	Trustee	Primary
Mary E. Jones	10/1/2019	Trustee	First Successor
Eli A. Jones	10/1/2019	Trustee	Co-Second Successor
Robert L. Jones	10/1/2019	Trustee	Co-Second Successor

▼ Eli A. Jones Separate Trust Created by John A. Jones's Revocable Trust

FIDUCIARY	DATE OF DOCUMENT EXECUTION	ROLE	DESIGNATION
Eli A. Jones	--	Trustee	Primary

▼ Sarah E. Jones Separate Trust Created by John A. Jones's Revocable Trust

FIDUCIARY	DATE OF DOCUMENT EXECUTION	ROLE	DESIGNATION
Sarah E. Jones	--	Trustee	Primary

Estate diagram and fiduciary list

# How Vanilla helps you achieve your estate planning goals

Having an estate plan that reflects your wishes starts with understanding what your plan actually says and how it will affect your loved ones. Vanilla visualizes how your estate plan works by transforming your family, financial, and estate information into interactive diagrams and detailed summaries.

## Estate planning made simple

Vanilla's visualizations can support estate planning conversations with your advisor, and help you:



### Understand how your plan works

With descriptive estate plan diagrams, you and your advisor will better understand how your estate is set up to protect your assets and safeguard your family's financial future.



### Know what's in your estate

Understand your estate plan's full financial impact with a comprehensive balance sheet displaying assets, entities, accounts, and more.



### Ensure assets flow the way you intend

Through detailed asset waterfalls, you will clearly see who gets what and when, ensuring your families wealth flows according to your wishes.



### Keep your beneficiaries and fiduciaries current

With beneficiary and fiduciary summaries, you'll know to whom your wealth will be distributed and who will be in charge of administering your estate.



### Understand the potential impact of estate taxes

Using Vanilla's visualizations and estate projections, your advisor will help plan for potential estate tax liability and discuss mitigation strategies.



### Get planning documents on-demand

Are your documents out of date or do you need a plan? Your advisor will invite you to create documents with Vanilla's self-guided questionnaire

# Visualizing your Estate with Vanilla

Here is the process to complete a robust review of your estate plan:

## 1. Information request

Your family, financial, and estate information is collected in order to build a complete profile on the Vanilla platform. Please review the accompanying checklist.

## 2. Estate document review

Your estate documents will be reviewed by Vanilla. The output is simple, intuitive visualizations and diagrams describing your estate plan.

## 3. Estate planning discussion

Your advisor will then meet to discuss your plan, ensuring it meets your current needs - how assets flow and the key people involved.

## 4. Opportunities for additional planning

Your advisor will also review whether action is required to update your existing plan at this time and continue to monitor your plan on an ongoing basis.

## The 2026 sunset

### Maximize your tax savings before the exemption expires.

Over your lifetime, you can give or leave your loved ones a certain amount without being subject to the 40% gift or estate tax.

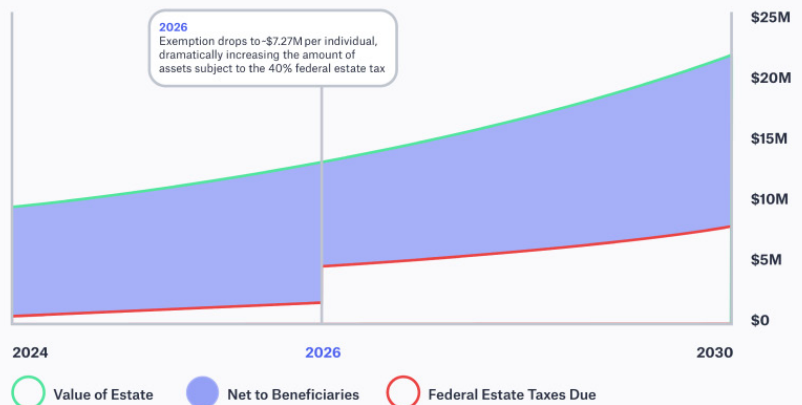
Right now, that amount is at a historic high of \$13.61 million per person (\$27.22 million per couple), meaning you won't pay tax on gifts made during your lifetime or assets in your taxable estate unless you exceed that number. However, the exemption amount is set to expire at the end of 2025 and go back down to around \$7.27 million per person.

Implementing strategic estate planning before 2026 may allow you to capture significant tax savings.

### History of federal exemption (per individual)



### Smaller Exemption, Increased Tax Liability



In the example above an individual with \$15M and full remaining exemption (\$13.61M) is able to shield most of their estate from estate taxes if they died before 2026. In 2026, when the exemption drops from \$13.61M to ~\$6.8M, the amount of their assets subject to estate tax would increase dramatically.

Assumes (1) \$15M total assets in 2024 with 6% growth per year until 2030  
(2) Full remaining exemption  
(3) Exemption inflates 2% per year

EXAMPLE ILLUSTRATION

\*ESTIMATED INFLATION ADJUSTMENT

Potential planning opportunity: The 2026 Estate Tax Exemption Sunset