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*By Patrick Hicks, Head of Legal at [Trust & Will](#).*

Estate planning is often in the back of many people's minds yet tends to be avoided due to the unsettling thoughts and fears regarding death. Nevertheless, estate planning is a necessity for anyone with children, a business, personal assets, or sentimental belongings they want passed on to specified loved ones, friends, or charities after their death.

Estate planning involves creating a comprehensive and legal plan for who will

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unexpected illnesses and accidents can occur at any time. Addressing your estate plan early on can provide an immeasurable level of relief and peace of mind, knowing you have a plan in place should the unthinkable happen.

Creating a thorough estate plan online is easier than you think. An estate plan can keep your business and personal assets out of probate court, making the transition of your assets much smoother for your family members. Additionally, by creating an estate plan, you will have full control over what happens to your business and other assets after you die or become incapacitated.

Estate planning is for anyone who has any type of asset that they want to protect. However, estate planning will look different for different groups of people. This article focuses primarily on estate planning for business owners and what they may want to pay special attention to.

### **Tips for Business Owners on Estate Planning**

As a business owner, you may often be too busy juggling the tasks of running your business, raising a family, and completing a multitude of other daily tasks. Fitting in time for much else may seem impossible. However, adding estate planning to your to-do list should be a top priority. Nobody can predict the future, but we can plan for it.

### **Appoint a Financial Power of Attorney**

It will be extremely important for you to appoint a financial power of attorney if you are a business owner. A financial power of attorney is a legal document that you can create online. It involves appointing a trusted individual to handle your finances after death, or if you can no longer make decisions due to health reasons such as being in a coma, developing dementia or becoming too ill to make decisions. As a

business owner, you may have a more complicated financial system that will require

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much so that without them, you may not be able to run your business at all. Taking all of this into consideration, it's imperative to create a living trust. A living trust is a legal document that you create while you are still of sound mind. This legally binding document will provide directives involving your assets and name either a legal entity or person of your choosing as the trustee. This will ensure that no matter what happens to you, the assets that keep your business running will be protected and will only end up in the hands of the people you trust. It will also be to your benefit to ensure that the living trust is always up to date, as your assets regarding your business may change as the business grows over time.

Creating a living trust is especially important for someone who owns a small business of which they are the sole owner, also known as a sole proprietorship. This is because there is no legal separation between you and your business, meaning you cannot leave your business to anyone within your trust because legally you are your business. This means that the only business entities you can protect are the assets that keep the business running. You will want to be sure to list these assets in a Living Trust to guarantee their protection.

### **Create a Succession Plan**

Succession planning is a strategic blueprint for creating a seamless transition of business operations, management and ownership to partners, future generations or successor owners. For people who are in a partnership business, it's important to create a succession plan as part of your estate plan to ensure that whoever replaces you as a business owner is someone you fully trust. By creating a succession plan in advance, you can provide stakeholders with the expectation of a smooth transition that adheres to the company's mission and vision.

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