Estate planning: Get ready

Sources: Steve Isaacs, UK agricultural economist, Nichole Huff, extension specialist for family finance and resource management and Jennifer Hunter, assistant director of family and consumer sciences extension

Whether you farm 10 or 10,000 acres, it is important to have a plan in place in the event that you die or are no longer able to farm. Making an estate plan ensures a smoother farm transition and that your wishes are followed. It can also save your family time, money and emotional stress compared to if you were to die without a plan in place.

Research shows only 32.9% of Americans have a will. Even though the average age of American farmers is 59.4 years, only one-third of farmers have identified their successor.

To start planning your estate, you need to determine what you want to transfer, their monetary values and your beneficiaries.

There is a lot to consider before deciding to transfer anything. Transferable things include tangible and intangible assets, management and leadership. Make a list of these.

Know your current financial situation. Determine your net worth by listing all of your assets and subtracting your liabilities. You also need to determine whether your farm is profitable. Calculate your operation’s net income to determine if the farm would support one or multiple families and what their anticipated standard of living might be.

Determine who you want to transfer your things to and the goals for your estate. This may include one or more people. For example, you may want one person to receive your estate but transfer your business to another. You will need to also consider if your estate could provide for a surviving spouse (if applicable) and any minor children.

Gather important documents. These include a list of assets, net worth, birth certificate, marriage certificate (if married), car titles, bank account records, stock certificates, property deeds, earning records, personal and business tax returns, property records, property improvements and insurance policies. Keep these documents in a secure place that your heirs or estate executor know about, such as a fireproof safe.

UK Cooperative Extension Service has developed a worksheet to help you determine your estate planning goals. It is available in the FCS5-420 publication titled, “Estate Planning Part 1: Getting Started.” The publication is available online at <https://bit.ly/3H9sIYX> or by contacting the (COUNTY NAME) office of the UK Cooperative Extension Service.

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