



WEALTH OF KNOWLEDGE

NEWSLETTER COVERING THE WEALTH CONTINUUM

A Will: The Cornerstone of Your Estate Plan

An estate plan can address what happens to your money, home, and family after you die. There are many tools you can use to achieve your estate planning goals, but a Will is probably the most vital. Even if you're young or your estate is modest, you should have a legally valid and up-to-date Will. This is especially important if you have minor children because, in many states, your Will is the legal way you can name a guardian for them.

Wills avoid intestacy Probably the greatest advantage of a Will is that it allows you choose who will get your property, rather than leaving it up to state law called "intestacy." State intestate succession laws provide a pattern of property distribution if you die without a Will. Generally, intestacy distributes your property to your closest blood relatives in proportions dictated by law. However, the state's distribution may not be what you would have wanted. Intestacy also has other disadvantages, which include the possibility that your estate will owe more taxes than if you had you created a valid Will.

Wills distribute property according to your wishes A Will allows you to leave bequests, another name for gifts, to anyone you want. You can leave your property to a surviving spouse, children, relatives, friends, trusts, or charities. There are some limits, however, on how you can distribute property using a Will. For instance, your spouse may have certain rights with respect to your property, regardless of the provisions of your will. In New York, the spouse's rights are called their "elective share."

Gifts through your Will take the form of specific bequests (e.g., an heirloom, jewelry, furniture, or dollar amount of cash), general bequests (e.g., a percentage of your property), or a residuary bequest of what's left after your other gifts.

Wills allow you to nominate a guardian for your minor children In many states, a Will is your only means of stating who you want to act as legal guardian for your minor children if you die. You can name a personal guardian, who takes personal custody of the children, and a property guardian, who manages the children's assets. This can be the same person or different people. The surrogate court has final approval, but courts will usually approve your choice of guardian unless there are compelling reasons not to.

Wills allow you to nominate an executor A Will allows you to designate a person or trust company as your executor to act as your legal representative after your death. An executor carries out many estate settlement tasks, including locating your will, collecting your assets, paying legitimate creditor claims, paying any taxes owed by your estate, and distributing any remaining assets to your beneficiaries. Like naming a guardian, the probate court has final approval but will usually approve whomever you nominate. Under Florida law, the term for an executor is "personal representative."

Wills specify how to pay estate taxes and other expenses The way in which estate taxes and other expenses are divided among your heirs is generally determined by state law unless you direct otherwise in your Will. To ensure that the specific bequests you make to your beneficiaries are not reduced by taxes and other expenses, you can provide in your Will that these costs be paid from your residuary estate. Or, you can specify which assets should be used or sold to pay these costs.

Wills can create testamentary trusts You can create trusts in your Will, known as testamentary trusts, that come into being when your Will is probated. Your Will sets out the terms of the trust, such as who the trustee is, who the beneficiaries are, how the trust is funded, how the distributions should be made, and when the trust terminates. This can be especially important if you have a spouse or minor children who are unable to manage assets or property themselves. Certain types of trusts such as a marital trusts or charitable trusts can even help with reducing estate taxes.

Wills can help minimize taxes Your Will gives you the chance to minimize taxes and other costs. For instance, if your Will that leaves your entire estate to your U.S. citizen spouse, none of your property will be taxable when you die (if your spouse survives you) because it is fully deductible under the unlimited marital deduction. However, if your estate is distributed according to intestacy rules, a portion of the property may be subject to estate taxes if it is distributed to heirs other than your U.S. citizen spouse.

Wills can fund a living trust A living trust is a trust that you create during your lifetime. If you have a living trust, also known as a revocable trust, your Will can transfer any assets that were not transferred to the trust while you were alive. This is known as a pour-over Will because the Will "pours over" assets from your estate to your living trust.

Overall, a Will is an important document to provide structure and organization to your estate plan and to ensure your family and assets are given direction after your passing. Our team at CNB Wealth Management is available to answer any questions you may have, and to discuss how a Will can be incorporated into your financial and estate planning process.

Amy K. B. Ertel, Esq., CTFA, is a Senior Vice President, Senior Trust Officer- Trust Team Leader with CNB Wealth Management. She may be reached at (585) 419-0670, ext. 41960 or at AErtel@CNBank.com.



Wealth Line of Credit

Your investment portfolio can help to secure your future, but did you know it can also provide you convenient access to funds when you need it?

Selling investments is one option to gain access to cash. Another way is to tap the equity in your investment portfolio through a Wealth Line of Credit (WLOC).

What is a Wealth Line of Credit*? A WLOC is a convenient funding solution that is secured by using the non-retirement portion of your investment portfolio as collateral for a revolving line of credit.

Essentially, a WLOC allows you to leverage the assets in your investment portfolio to fund non-investment activities. Once a WLOC is established with Canandaigua National Bank & Trust, funds are usually accessible

within a few days and can be used for a variety of purposes, such as:

- Purchasing real estate
- Making home improvements
- Paying for educational expenses or other major purchases
- Financing business opportunities
- Consolidating existing debt at a lower rate
- Bridge financing for an unexpected expense or opportunity
- Rainy-day fund for emergencies

A WLOC can benefit you as an investor in a variety of ways:

Unlock working capital from your investment portfolio. A WLOC can help you manage your short-term liquidity needs, keeping your investment goals on track while minimizing capital gains exposure and investment losses that can result from the selling of securities.

Maintain greater flexibility and incur lower costs. Borrowers typically enjoy greater repayment flexibility than they do with other lending options. Lending rates are generally lower than the rates associated with credit lines from home-equity lines of credit (HELOCs), credit-card advances, and other lending instruments.

To learn more about a Wealth Line of Credit, speak with a CNB representative today or visit CNBank.com/WealthLOC.

Matthew J. Alexander is a Private Banker with CNB Wealth Management. He may be reached at (585) 419-0670, ext. 57709 or at MAlexander@CNBank.com.



©2023 Broadridge Investor Communication Solutions, Inc. All rights reserved. This material provided by Matthew J. Alexander.

*Subject to credit approval. Minimum line amount \$75,000.

Introducing myCNB360

We are pleased to introduce myCNB360. This new online experience presents a comprehensive view of your relationship including your financial management team and quick actions for service convenience. As a CNB Wealth Management client with TrustReporter access, you are one of the first to be invited to the new myCNB360 portal.

On Monday, March 6, you will receive an email from welcome@myCNB360.com that contains a unique link and instructions for completing your enrollment. We encourage you to confirm your enrollment and establish your password as soon as possible to avoid any delays in accessing your account information. Once you complete your initial enrollment, you will be able to access myCNB360 from the login section on CNBank.com.



To learn more about myCNB360, visit CNBank.com/myCNB360

Please note, access to our current online system, TrustReporter, will conclude on March 31, 2023. Questions? Please contact your Relationship Manager at (585) 419-0670.

1180
WHAM Ask the Experts

2023 Shows — Saturdays at 8:00pm

March 25 • May 20 • July 29
September 23 • November 25

Tune in to WHAM 1180 or listen online at wham1180.com to hear our trusted advisors.
Times subject to change.

CNC Shareholder Corner

Annual Shareholder Meeting
Wednesday, April 19, 2023

The 2022 Annual Report and Proxy Statement will be released soon. For the latest information, visit:

CNBank.com/ShareholderRelations