



# 6 Estate Planning Moves Every High-Net-Worth Family in Pittsburgh Should Consider



# Key Highlights

- Pennsylvania applies an inheritance tax based on your relationship to each beneficiary, not the overall size of your estate, so who receives what matters as much as how much.
- A will is a starting point, not a complete plan. Coordinated trusts, tax strategy, and beneficiary designations close the gaps a will alone cannot.
- Beneficiary designations on retirement accounts and life insurance policies typically override the instructions in your will, making outdated forms one of the most common and avoidable estate planning mistakes.
- Charitable giving strategies, including donor advised funds, can extend your legacy and may offer tax efficiencies worth exploring with your advisor.
- An estate plan built once and never revisited tends to drift out of alignment with your family and the law. Regular reviews keep it current.

# Introduction

For many Pittsburgh-area families, estate planning starts and ends with a will. But if you have built meaningful wealth in Western Pennsylvania, whether through a business, a career in medicine or engineering, or decades of disciplined saving, protecting that legacy usually calls for more than a single legal document.

The Pittsburgh region has a strong tradition of multigenerational family businesses and closely held wealth. That history brings real opportunity: the chance to pass down not just assets, but values, purpose, and clarity for the people who come after you. It also brings real risk when the pieces of a plan do not work together.

This guide walks through six estate planning moves that high-net-worth families in Pittsburgh and the surrounding communities often overlook, along with the local and federal considerations worth understanding before you meet with an advisor or attorney.

## Key Factors to Consider

- As you evaluate your own estate plan, or begin building one for the first time, it helps to weigh a few factors side by side. These are the same factors we walk through with clients at Three Cord.
- **Coordination:** Does your estate plan talk to your investment accounts, tax strategy, and business structure, or does each piece stand alone?
- **Tax efficiency:** Are you accounting for Pennsylvania inheritance tax as well as federal estate tax rules?
- **Flexibility:** Can your plan adapt as tax law, family circumstances, or your goals change over time?
- **Family communication:** Do the people affected by your plan understand your intent, or will they be surprised?
- **Local expertise:** Is your advisor familiar with Pennsylvania's inheritance tax structure and the probate process in Western PA?

# 1. Start With a Fiduciary Relationship, Not Just a Legal Document

## Why Fiduciary Status Matters

Estate planning decisions are often made under emotional weight, thinking about aging, illness, or the wishes you want to leave behind. That is exactly the moment when you want guidance from someone legally obligated to act in your best interest, not someone incentivized by a product or commission.

Three Cord operates as a fiduciary, fee-only firm. That means our recommendations are designed around your goals and your family, not around what pays us the most to recommend.

## What to Ask Before You Begin

Before working with any advisor on your estate plan, it is fair to ask directly: Are you a fiduciary at all times? How are you compensated? Will you coordinate with my attorney and tax professional, or work in isolation? The answers tell you a great deal about whose interests are truly being served.

## 2. Understand How Estate Planning Guidance Is Typically Compensated

### Fee-Only vs. Commission-Based Models

Some advisors earn commissions on the insurance or investment products they recommend as part of an estate plan. A fee-only model, like the one Three Cord uses, removes that incentive. You pay for advice, not for products sold along the way.

### Why This Distinction Matters for Estate Decisions

Estate planning often involves recommendations around life insurance, trusts, and account titling. Depending on your situation, a fee-only structure may help ensure those recommendations are made with your family's outcome in mind first, rather than a sale.

# 3. Build the Core Pieces of a Complete Plan

## Wills and Trusts

A will directs how your assets are distributed and can name guardians for minor children. Trusts can go further, potentially helping avoid probate, offering more control over timing and conditions for beneficiaries, and in some cases providing added privacy. Whether a trust makes sense depends on your goals, your assets, and your family structure.

## Beneficiary Designations

Retirement accounts, life insurance policies, and many investment accounts pass directly to the named beneficiary, regardless of what your will says. We regularly see outdated beneficiary forms, often left unchanged after a divorce, remarriage, or the birth of a grandchild, that no longer reflect a family's true intent.

## Business Succession Planning

If you own a business, your estate plan and your succession plan need to work together. Questions around who takes over, how a transition is funded, and how value is divided among family members who are and are not involved in the business all belong in the same conversation.

## Charitable Giving and Donor Advised Funds

For families who want their legacy to extend beyond immediate heirs, charitable giving strategies, including donor advised funds, may help you support causes you care about while potentially offering tax efficiencies. This works best when it is planned intentionally rather than added as an afterthought.

# 4. Know the Pennsylvania-Specific Rules That Affect Your Family

## Pennsylvania Inheritance Tax

Pennsylvania does not impose a separate state estate tax, but it does levy an inheritance tax on assets passing to most beneficiaries. The rate depends on the beneficiary's relationship to you, meaning a plan built around a generic national template can miss important details specific to Pennsylvania families.

## Probate in Western Pennsylvania

The probate process here follows Pennsylvania procedure and is administered at the county level, including Allegheny and Beaver counties. Depending on how your assets are titled and whether you have used trusts or beneficiary designations effectively, some or much of your estate may be able to pass outside of probate.

# 5. Coordinate Your Estate Plan With Your Full Financial Picture

## Tax Strategy and Estate Planning

Estate planning does not happen in a vacuum. Decisions about gifting, account withdrawals, and Roth conversions all have tax implications that ripple into your broader financial plan. This is where Betsy Flinner, our Tax Planning Manager, works alongside our advisory team to look at your full tax picture, not just the estate documents themselves.

## Investment Titling and Account Structure

How your accounts are titled, individually, jointly, or in a trust, directly affects how smoothly assets transfer and how they are taxed. This is a detail that is easy to overlook and important to get right. *Traditional IRA account owners have considerations to make before performing a Roth IRA conversion. These primarily include income tax consequences on the converted amount in the year of conversion, withdrawal limitations from Roth IRA, and income limitations for future contributions to a Roth IRA. In addition, if you are required to take a required minimum distribution (RMD) in the year you convert, you must do so before converting to a Roth IRA.*

# 6. Prepare Your Family for the Conversation

## Values-Based Legacy Planning

The most well-drafted legal documents can still fall short if your family does not understand the thinking behind them. We encourage clients to think through what stories, values, and lessons they want their wealth to carry forward, not just the mechanics of distribution.

## Educating the Next Generation

For families passing down significant assets or a business, preparing the next generation matters as much as the paperwork. Open conversations, even gradual ones, tend to reduce confusion and conflict later.

# Frequently Asked Questions

**Does Pennsylvania have an estate tax?** Pennsylvania does not impose a separate state estate tax, but it does levy an inheritance tax based on the relationship between the decedent and the beneficiary. Rates vary accordingly and this is separate from any federal estate tax that may apply to larger estates.

**How often should I review my estate plan?** Many financial professionals suggest revisiting your estate plan every few years, and always after a major life event such as marriage, divorce, the birth of a grandchild, or the sale of a business.

**Do I need a trust if I already have a will?** Not every family needs a trust, but trusts can help avoid probate, provide more control over how and when beneficiaries receive assets, and may offer additional privacy. Whether a trust makes sense depends on your specific goals and circumstances.

**What happens if my beneficiary designations do not match my will?** In most cases, the beneficiary designation on file with the account custodian, not the instructions in your will, determines who receives that asset. Reviewing these forms regularly helps avoid unintended outcomes.

**Can estate planning help reduce taxes for my family?** Certain strategies, such as charitable giving vehicles or coordinated gifting, may help reduce the tax impact on your estate, depending on your situation. Because tax laws change and every family's circumstances differ, this is best explored together with your advisor and tax professional.

# Sources

Internal Revenue Service, “Estate and Gift Taxes,” [irs.gov](https://www.irs.gov)

Commonwealth of Pennsylvania, Department of Revenue, “Inheritance Tax,” [revenue.pa.gov](https://www.revenue.pa.gov)

*This guide is educational and general in nature. It is not intended as legal or tax advice. Please consult Three Cord True Wealth Management and your estate attorney for guidance specific to your situation.*



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