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IS THERE AN IDEAL AGE FOR YOUR CHILDREN TO INHERIT? A RETIREMENT PLANNER WEIGHS IN

As many people live longer, inheritances have shifted from life-changing events to late-in-life supplements. The timing of when an inheritance is received is crucial.



By: Skip Skolnik - March 26, 2026

According to projections from Cerulli Associates, more than \$84 trillion will be transferred through 2045. Nearly \$73 trillion in assets is expected to be transferred to heirs, and around \$12 trillion will be given to charities.

While determining how much gets left to whom is important, the timing of when an inheritance is received is crucial.

Americans are living longer, and that's changed the way wealth is being transferred. It's not uncommon for beneficiaries to be in their upper 50s and 60s — long after many key life decisions have been made.

At this point in their lives, wealth is usually less impactful, and sometimes, it's not even necessary.

Longer lifespans have unintentionally moved inheritances from a life-changing event into a late-in-life supplement.

Conversely, inheriting a significant amount of wealth at a younger age can be dangerous. It can alter motivation, distort work ethics and career aspirations, and potentially create a false sense of security.

Younger beneficiaries also lack the maturity and life experience to wisely manage

assets. In lieu of empowering growth and independence, premature wealth can impede it.

Is there an optimal age?

Not necessarily. The key is flexibility. Most estate plans tend to focus solely on tax efficiency and asset transfer once the owner dies. Many assume “later is better,” neglecting to think about the human consequences of receiving an inheritance later in life.

For example, carefully built financial plans can be disrupted, tax and retirement planning complications can increase, such as IRMAA surcharges on Medicare premiums, and older adults might feel forced to make faster decisions, which can lead to poor investment choices and emotional decision-making.

A change in strategy

Instead of altering beneficiaries or the amount that's being gifted, consider altering the way your wealth is transferred.

One method is through lifetime gifting. This allows you to transfer assets while you're still alive rather than waiting until you pass. Instead of receiving one lump sum, assets are distributed to heirs gradually.

There are a couple of ways to approach lifetime gifting. For example, individuals can choose to give annual exclusion gifts.

According to the IRS, loved ones can give

a set amount per person per year without triggering gift taxes or reporting requirements. These gifts are often used to fund living expenses, provide emergency cushions or cover education-related costs.

Other families might choose to take a more structured approach by establishing trusts or implementing phased distributions.

Both options allow you to transfer wealth at your own pace and purpose. Asset distribution can be timed with major life milestones such as buying a first home, funding or contributing to a marriage or starting a business. The choice is ultimately yours.

The bottom line

A properly planned estate utilizes these tools to ensure your wealth transfer is intentional and impactful. You want it to serve as a developmental tool for loved ones, not an enabler of dependency.

If you're developing an estate plan or reviewing it this year, start by discussing values, goals and life stages with your loved ones and your estate planning attorney. Considering when financial support might be most meaningful can help shape your selected distribution method.

Arranging estate plans and distribution with lifetime strategies can create flexibility, relevance and timing that transforms the inheritance from a delayed gift into a living legacy to create the impact you want.

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