

# An Estate Plan Is More Than a Will



# An Estate Plan

We are reminded almost daily how important it is to have an up-to-date, legal Will. Print, broadcast, and social media are filled with ads and articles urging us to create a Will.

**But a Will may not be enough to address all of our estate needs.**

A Will is a legal document drafted during your lifetime, while you are competent. It allows you to express your desires for distribution of your estate to your chosen beneficiaries at the time of your death. But a Will does not provide a plan for care of your physical or financial needs if you become disabled prior to death.

Having a Will is a good start, but it is only part of a complete estate plan. Most individuals will also need to consider the following additional planning tools.

## Power of Attorney for Financial Matters

With a Financial Power of Attorney, you decide who will manage your property in case you become mentally or physically disabled prior to death.

Unless you give someone you trust the ability to pay your bills, manage your investments, and generally keep your financial matters running smoothly during a period of inability or disability, the court will appoint and supervise a manager for you. This can strain family relationships, and there may be unnecessary costs and restrictions imposed by the court.

These difficulties can be avoided by choosing an individual you trust and creating a Durable Power of Attorney. With the document, you grant them the power to manage your property during a period of incompetency.

## Power of Attorney for Healthcare Decisions

A need may arise for you to give someone you trust the ability to make medical decisions regarding treatments (or withholding of treatment), procedures, surgeries, and other matters dealing with your physical health when you are unable to do so.

The Healthcare Power of Attorney does not grant the authority to declare you are unable to act for yourself. However, if you have been declared physically or mentally incompetent by qualified physicians, it does grant specific authority for that individual to consent to or refuse treatment for you. Your Healthcare Power of Attorney will also allow that individual to receive information from your medical records.

## An Estate Plan (cont.)

### Living Will or Directive to Physicians

Many states recognize a Directive to Physicians or Living Will to allow you to make specific recommendations and give guidance regarding your wishes for medical procedures and treatments.

When combined with the powers of attorney, this statement—made during a time of good physical and mental health—allows your family to know and understand your desires, should they need to make decisions on your behalf.

### Revocable Living Trust

Many individuals and couples prefer the comprehensive value of a Revocable Living Trust. When funded during a lifetime, this Trust establishes management of assets that can extend through a period of mental or physical disability and beyond. A Trust can be a valuable tool for any estate plan, though it is generally more costly to have created than a Will.

### Letter of Instructions

The value of personal items is often measured in sentiment and memories, rather than dollars

and cents. Therefore, the Letter of Instructions, while not a legal document, is proven effective for the distribution of personal property which may have special significance to your family. It allows you to explain to your beneficiaries who should receive specific items and why. This explanation can help to reduce conflicts that may arise when family members are left to choose the personal property they wish to receive from the estate.

### Beneficiary Forms and Deeds

The payable on death (POD) designation for bank accounts, beneficiary designations on life insurance and retirement accounts, and beneficiary deeds for real estate are all means of declaring who will receive assets at the time of death. During your lifetime, you maintain control of the assets and can change beneficiary designations as you desire. But upon death, the assets transfer to the personal or charitable beneficiaries you have named.

These forms of distribution can be helpful in providing efficient and cost-effective transfers at death. However, they must be carefully coordinated with the legal documents of your estate plan to accomplish your overall goals for distribution.

# A Careful Review

Your estate plan will only accomplish your desires when it has been properly drafted, signed in accordance with the requirements of state law, and coordinated with titles and beneficiary designations.

To help you get started, consider these questions:

- Who will make financial decisions for me if I am unable to do so, due to accident or illness?
- Who will make my healthcare desires known when I cannot express them myself?
- If I passed away this week, would the distribution of my assets outlined in my Will express my current desires?
- Have I made provisions for those who depend on me for personal and financial care?
- Are my financial documents in order so that someone could easily find all the records and necessary information to help care for me and my family?

# A Planning List

In addition to having the proper legal documents in place, there are other steps you can take to assure that your estate plan will meet your goals and fulfill your desires. Here are a few items that you might add to your personal planning list:

- Review the individuals you have chosen to care for your financial and healthcare decisions when you are unable to do so. Discuss with them their willingness to serve.
  - Create a list of all your accounts. Include the financial institution, account number, and type of account (checking, savings, CDs, retirement). Store the list where it can be easily located when needed.
  - Review the title and/or beneficiary designation for each account to make sure it is coordinated with distribution from your Will or Trust to accomplish your goals.
  - Create a list of all insurance policies, including company name, type of insurance, policy number, names of insured and beneficiaries, and store it with your other legal and financial information.
- If you have a safe deposit box, be sure to give someone legal access to it, should you become disabled or pass away.
  - Make a list of all your online accounts and access information—including login usernames and passwords. Store the list in a safe place, accessible to those you have chosen to succeed you in management.

## How Can We Help?

We are available to help you review your current plans and lay out the next steps in your planning process. If we can be of assistance, please contact us today.