

HELPFUL HINTS

Establishing an estate plan is a very important step, that when done properly, can save you and your loved ones needless expenses, hardship and heartache. When setting out to create a Will and other estate planning documents, careful consideration should be given to several items. Below, we have listed the most commonly utilized documents and the key decisions that pertain to each. You should give careful thought to these items, and if married, discuss them with your spouse.

□ **PERSONAL WILL.** This document allows you to decide who gets what you leave behind. Without it, the State already has a distribution scheme for you, and not one you probably would have chosen. Your Will also allows you to name the people you trust to act as your personal representatives rather than leaving those decisions to a court. Probably the most important thing a Will does for people with minor children is to allow for the naming of guardians. Your Will gives broad powers and eliminates many expenses that would be incurred without it. You need to make the following decisions in connection with your Will:

Beneficiary(ies). The person or persons who will receive what you leave behind. There is no need to itemize; your will contains a Memorandum that allows you to list your personal items.

Specific Bequests. You may leave property, money or a portion of your estate to your Church, a charity, relative, etc.

Executor. The person who will be responsible for carrying out your wishes. Most married people name the spouse. You should name an alternate as a backup.

Guardian. The person who would raise your minor children if both parents die. May be an individual or a couple. An alternate may be chosen.

Trustee. The person who will manage the inheritance left to minors, incompetent or handicapped beneficiaries. Most people name the same person(s) as they have chosen for guardian(s). Again, an alternate may be chosen.

Ages to Distribute Trust. In the absence of an election, distribution will be made at age 18. You may choose any age above 18. You may have a portion distributed at one age and the balance at another (example: 1/2 at age 25 and the balance at age 30).

□ **DURABLE POWER OF ATTORNEY.** This document allows you to name someone (**Attorney In Fact**) to act on your behalf if you become incapacitated or are absent for an extended period of time. By preparing a Power of Attorney while you are of sound mind, you save yourself and your loved ones potential expense, time delays, difficulties and humiliation. You should appoint your **Attorney In Fact**. Most married people appoint the spouse, but you may choose anyone over the age of 18 that you trust.

□ **HEALTHCARE POWER OF ATTORNEY.** This document works much like the Durable Power of Attorney but for a different purpose. You appoint someone (**Healthcare Agent**) to make medical decisions for you if you are unable to do so. Most married people choose the spouse for this role. You should name an alternate.

□ **LIVING WILL.** This document expresses your wish not to be kept alive by extraordinary means if you are terminally and incurably ill. It takes the burden of making this difficult decision away from loved ones and can save tremendous amounts of money in medical expense.

□ **LIVING TRUST.** This document allows you to gain benefits without the pitfalls of some other forms of ownership. You have additional control over your affairs, especially if you become incapacitated. Your trust estate avoids probate (at both deaths, if married) thus eliminating the expenses, delays and publicity associated with probate. Depending upon the size of your estate, your loved ones can save tens of thousands of dollars in estate taxes. Since you control everything during your lifetime, you need to appoint an **Alternate Trustee** to step in when you die or if you become incapacitated. Your **Beneficiaries** of the Trust may be the same people you considered in your Will or anyone of your choosing.

□ **SPECIAL NEEDS TRUST.** This is a type of Trust that allows you to leave an inheritance to a handicapped child or other individual without jeopardizing social benefits that they may be entitled to now and in the future. Provides for care of your loved one after your death and for his or her entire life. Your choice of Trustee for this type of Trust is very important and needs careful consideration.

As you think about who would serve in the various roles, you might want to inform them of your decisions to be sure they are willing to serve. Most people are flattered, but it's a good idea to get their agreement.