

Estate Planning: A Family Love Letter

The primary goal of estate planning is to protect your family, not solely to distribute your assets. The incapacity or death of a family member is always a traumatic event. The emotional turmoil and family pain, however, are often magnified by the resulting confusion over the plan of care, asset distribution and desires of an incapacitated or deceased family member. The mental fog that accompanies the family's trauma is exaggerated by the inability to make basic decisions – because of lack of information. The key documents used to convey your desires and that help protect your family are:

- ☑ A **Last Will and Testament** is one of the most important estate planning documents as it puts you in control of how your assets will be distributed and who will serve as guardian of your minor children after your death. Those who die without a will are considered to “intestate,” which means that the laws of your state determine how your probate assets will be distributed.
- ☑ A **Living Trust** is created during your lifetime and can either be revocable or irrevocable. A revocable trust will then become irrevocable upon the death of the person who created it. A **Testamentary Trust** is created by a person's last will and testament. Trusts have many functions and benefits in estate planning – not only for the ultra-wealthy, but also for modest estates.
- ☑ A **Living Will** is your declaration that you do not desire life sustaining treatment if there is no significant hope of recovery. According to the U.S. Supreme Court, to be taken off life support (including intravenous nourishment and fluids) you must have declared your desire before becoming incapacitated.
- ☑ A **Medical Power of Attorney** (sometimes called a Durable Healthcare Power of Attorney) also may be necessary. A medical power of attorney is designed to grant someone the power to make any medical decisions for you upon your incapacity.
- ☑ A **Durable General Power of Attorney** provides for who will manage your assets upon your incapacity.
- ☑ A **Personal Property Disposal List** is of critical importance. A detailed list directing how your assets should be passed to your spouse, children, or anyone you have selected to receive such.
- ☑ An **Estate Letter of Instruction** is an optional document that includes key people to contact, location of important documents, and details how you wish for things to be handled (i.e. organ donations, funeral arrangements, pets, etc.).
- ☑ Once you have met with your attorney, be sure to update **Beneficiary Designations** and **Asset Titling** to make sure that your assets are aligned and coordinated with your estate plan. Failure to update beneficiaries on insurance policies and retirement plans is often one of the most common mistakes in estate planning. The oversight to update asset ownership at the time the estate plan is done or inadvertently changing title to assets later can be just as costly.