

## Introduction to Estate Planning

Estate Planning is an essential component of your overall financial plan. It allows you to gain more control over aspects of your life both during your lifetime and after your death. The goal of this document is to prepare you for the questions that will be asked by your financial advisor as it relates to your estate plan.

There are five major decisions that go into each estate plan. Those decisions are described below, along with examples and a description of people in your life that may be up to the task.

**1) Beneficiaries** – This is WHO will get your assets when you pass away. Generally, if you have children, we see to it that things go to your children in equal shares. However, there are also opportunities to leave things to charity (via a specific dollar amount after a death), or to other loved ones.

**2) Method of Distribution** – This is HOW your beneficiaries will get everything when you pass away. Depending on the age and financial capabilities of your beneficiaries, you may wish to delay distributions to a beneficiary. Please keep in mind that those young beneficiaries will have immediate access to funds for health care, education, and support. If you have a beneficiary with special health needs, you can leave assets for them through a special needs trust.

**3) Successor Trustee/Executor/Financial Power of Attorney** – This is the person (or people) who will make financial decisions for you in the event you cannot. The type of person who makes a good trustee is someone who is financially responsible, handles finances similar to you, and is generally a good decision-maker. If you don't have a family member or friend who fits the bill, you can consider a professional trustee. Generally, there are 2-3 successors named (in order of preference).

**4) Health Care Power of Attorney** – This is the person (or people) who will make health care decisions for you in the event you cannot. The type of person you name here would need to be able to make decisions during a difficult, emotional time. You will have the ability to state your end-of-life and organ donation wishes in this document as well. Generally, there are 2-3 successors named (in order of preference).

**5) Guardian (if necessary)** – This is the person (or people) who will have legal custody of any minor children should you pass away. The guardian will work with the trustee to access funds for any minor children. We often see your parents, siblings, or dear friends named here. We also see other children you have who are over the age of 18 named here. Generally, there are 2-3 successors named (in order of preference).

# Finding the Right People

## Estate Planning Roles

Trustee

Executor

POA  
(Power of Attorney)

These roles are often assigned to the same person.

### Attributes and Qualities

- Trustworthy
- Business, financial, and legal acumen are helpful
- Age-appropriate and close in proximity
- Someone practical that won't be scammed
- There will not be discontent among beneficiaries if selected
- They have the time and interest in performing the duties required of them
- Most adults appoint their spouse or adult child as trustee.

You may choose to have guardians who are married and serve jointly, or choose one spouse to be the legal guardian.

### Attributes and Qualities

- Will maintain a stable environment
- They are familiar with your children and know their history
- They have similar family values
- They will handle themselves well during an emotional time
- If this person has the attributes of a good trustee described above, you could have the same person fulfill both roles, or you could choose to keep the roles separate.

Guardian for minor children

Most people name their spouse, partner, relative, or close friend as their healthcare agent.

### Attributes and Qualities

- They will carry out your wishes and perform well under pressure
- They are close in proximity and will respond quickly in emergencies.
- They are capable of understanding procedure options and potential courses of treatment
- They are practical

Health Care Agent

Primary: \_\_\_\_\_  
Reason:

Successor 1: \_\_\_\_\_  
Reason:

Successor 2: \_\_\_\_\_  
Reason:

Primary: \_\_\_\_\_  
Reason:

Successor 1: \_\_\_\_\_  
Reason:

Successor 2: \_\_\_\_\_  
Reason:

Primary: \_\_\_\_\_  
Reason:

Successor 1: \_\_\_\_\_  
Reason:

Successor 2: \_\_\_\_\_  
Reason:

**Other questions to think about:**

*Who will inherit your assets?*

*If you have minor children, at what age would you want them to have access to their inheritance?*

*Do you have any financial concerns regarding your heirs (e.g., fiscal irresponsibility, divorce, special needs, etc.) that you'd like to address in your estate plan?*

*Do you have any personal assets (e.g., jewelry, vehicles, heirlooms, etc.) that you need to include in your estate plan?*

*Do you want to make any specific gifts of cash or property?*

*Do you wish to both avoid probate and have greater control (e.g., timing of distributions, specific amounts, limitations, etc.) over the distribution of assets to your heirs?*

*Are you making (or wishing to make) gifts to your heirs while you are alive?*

*Are you interested in leaving a portion of your estate to charity?*