



Building Blocks to Estate Planning

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What is Estate Planning?

In its broadest sense, estate planning is the process of accumulating, managing and distributing property over the course of your lifetime. It is more than just taxes. The goal is to protect your assets during your lifetime and distribute them according to your wishes when you pass away.

Estate Planning is unique to each individual and is an area where professional legal and tax advice is critical. A plan that is appropriate for me might not be appropriate for you. I have two boys who will attend college soon and a husband with many hobbies who likes to spend money. You may have children or may not. You may own your own business or have worked for numerous companies with various 401(k) plans. Everyone has a unique situation and requires a customized estate plan.

There are three main building blocks to a successful estate plan.

Last Will & Testament

This is the cornerstone of your plan. Your will is what guides distribution of your property at your death. Everyone should have a will. This ensures that you are determining who gets your assets. If you have minor children, a will provides confidence that your children will be cared for as you wish.

If you die without a will, it is called intestate. Through intestate, state law will determine the division of your property and assets and that might not be to your liking. You may also want to give items of sentimental value, but if it isn't outlined in a will, then it may not happen.

Living Trusts can also be created to hold title to your assets during your lifetime and to distribute your assets at your death.

Durable Power of Attorney

A power of attorney is a document in which you give a person that you trust certain powers over different aspects of your life. In simple terms, you are providing this person the authority to act on your behalf in the event you are unable to act for yourself or in the event you do not want to act for yourself. Durable means it stays in force even if something happens to you.

There are different kinds of powers:

- **Financial:** provides the ability to handle financial affairs
- **Healthcare:** names a person to make healthcare decisions for you if you become incapacitated.

Living Will

This is a document that makes your healthcare wishes known and provides guidance in making healthcare decisions.

Monitoring the estate plan for changes is an important part of the overall estate planning process. It is important to keep your will or trust current. Any time you have a major life change – marriage, divorce, birth, death, job change - make sure your will still reflects your needs. When changes do occur, the will can be modified, so that it is once again appropriate with your objectives and circumstances. Estate planning can often be a challenging topic to discuss, but is essential in providing peace of mind. Our staff is here to assist in the overall estate planning process, from start to finish. Call (515) 663-3037 to learn more.