

**Estate Planning 101:**  
How to Avoid Those “Bad Heir Days”

**BETTER**  
*estate planning*

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**What Is Estate Planning?**

Estate planning is the opportunity to prepare for our future, to provide for and protect our loved ones, and to remain a positive influence in their lives



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**What Happens If I Don't Have An Estate Plan?**

- The government decides who will inherit from you when you die, not you
- A judge decides who will make financial and health care decisions for you in the event of your incapacity
- You maximize the chances of your estate going through probate

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## Guardianship and Probate

*"Guardianship" is the process through which a court decides how and by whom someone's finances and/or health care will be managed during their lifetime*

*"Probate" is the process through which the affairs of someone who has died are settled under court supervision*



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## Reasons for Avoiding Guardianships and Probate

- They are very *expensive*
- They are very *time-consuming*
- They *invite fighting* by providing a convenient forum for it
- Details about your financial situation become a matter of *public record*
- *Scam artists* know exactly who is inheriting from you and where they live

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## What a "Basic" Estate Plan Accomplishes

A "simple will" decides:

- Who gets what share of whatever's left when you die
- Who will be in charge of settling your affairs

*At least it's better than letting the state decide for you ... but*

***Wills do not avoid probate!***

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### Powers of Attorney

A "power of attorney for property" gives someone the authority to make and carry out financial decisions for you

A "power of attorney for health care" gives someone the authority to make and carry out health care decisions for you

*POA documents can vary greatly in terms of what they authorize and cover, and the differences can have great consequences*

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### Adding One of Your Children's Name to Your Bank Accounts

**"Convenience" can have serious unintended consequences!**



- You put your money at substantial unnecessary risk
- Your "estate plan" may not be what you had intended

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### Living Wills and DNRs

- Living wills and do not resuscitate (DNR) orders speak only to situations in which your death is imminent, and indicate that you do not want to have your life prolonged through artificial means
- They *do not* give anyone authority to make health care decisions for you until that point, or the right to access your medical records

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**A Better Estate Plan Accomplishes So Much More**

Let's look at what a **Better Estate Plan** will accomplish for you and your family



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**Estate Planning Should Be Much More Than "Having Documents"**

Wills, trusts, powers of attorney and other estate planning documents are really nothing more than tools

**"Estate planning" starts by asking the vital question, what do you want to build?**



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**Being Prepared for Old Age and Possible Incapacity**

- You choose who will make financial decisions for you
- You choose who will make health care decisions for you
- You give them instructions and guidance that's responsive to your circumstances
- You make sure you are prepared financially

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**Making Sure You Have An Estate Left to Distribute**

- Preserving assets against lifetime risks  
*Especially long-term care costs*
- Protecting assets through legal planning
- Protecting assets through insurance

***Failure to plan can cost you your entire life savings***

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**Avoiding Income Tax "Time Bombs"**



- Having a plan for IRA and retirement distributions
- Caution on "deeding the house over to the kids"

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**Making Sure You Decide Who Will Eventually Inherit**

- "Sweetheart" wills and trusts aren't appropriate for "blended families"
- The perils of joint tenancy



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**Making Sure Your Kids Can Grow Up Well**

- You choose who will finish raising them
- You provide instructions and guidance
- You decide who will handle the money
- You make sure it's financially workable



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**Preserving Important Family Values**

"Incentives-based" planning can reward actions and behaviors you want to encourage

- Pursuing a college education
- Saving for the future
- Pursuing worthy career choices
- Running a family farm or business

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**Protecting The Inheritance You Leave for Your Family**

- Deciding when younger beneficiaries should take control over their inheritance
- Protecting against beneficiaries' financial risks (loss of income, medical costs, etc.)
- Protecting against the possibility of a beneficiary going through a divorce

*This can have life-changing benefits!*

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## Protecting Special Needs Family Members



- Special provisions to preserve benefits eligibility
- Special planning for special people
- Making sure there's enough money to support them

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## Living Trusts: The “Swiss Army Knife” of Estate Planning

- A Living Trust is the key to avoiding probate
  - People die but trusts “live” until they accomplish their purposes
- But a well-drafted Living Trust can accomplish much more than that
  - Control the disposition of assets over time
  - Protect inheritances for immature and special needs beneficiaries
  - Protect inheritances from creditor claims

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## It's All About You!



- “Cookie cutter” planning is a *wasted opportunity*
- Accomplish what's best for your family

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### The Choice Is Yours

- The "default plan" the State has chosen for you?
- A "simple" or "cookie cutter" plan?
- **A Better Estate Plan** for you and your family!



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### What Is the Real Value of a Well-Thought-Out Estate Plan?



- \$9.99?
- \$99.99?
- Priceless (it's my future and my family!)

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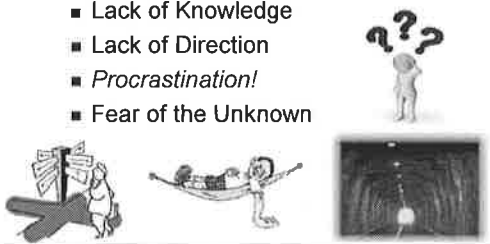
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### Obstacles and Challenges to Planning

- Lack of Knowledge
- Lack of Direction
- *Procrastination!*
- Fear of the Unknown



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**Getting Started Is Easy**

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We're a  
call or an  
email  
away!

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**Thank You For Attending!**

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*Any Questions?*

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