

ESTATE PLANNING FREQUENTLY ASKED QUESTIONS

Why do I need an Estate Plan?

One of the most common misconceptions about estate planning is that it is only for the wealthy. In reality, estate planning is about communicating your desires to your loved ones and ensuring that your family and your assets are protected in the event of your disability or death. A will not only dictates how your money is distributed but also allows you to choose who will be responsible for managing and distributing your assets. For parents of young children, a will is the document where you appoint a guardian of your choosing for your children if you should die leaving minor children. A trust, used in addition to a will, provides even greater control and protection for your assets by allowing you to spread out or delay distributions to your beneficiaries according to your unique values.

Estate planning is also important in the event of a disability. A Power of Attorney for finances allows you to appoint a trusted fiduciary to carry out financial and administrative tasks, such as paying your bills and filing your tax returns, in the event you are disabled. A Patient Advocate Designation, also called a Power of Attorney for Health Care, also allows you to appoint a family member or friend to make important medical decisions for you in the event you are unable to make them for yourself.

What documents are included in an Estate Plan?

The four most common estate planning documents are a will, a trust, a power of attorney and a patient advocate designation. Here is a brief description of each document:

Will: A will, sometimes referred to a "Last Will and Testament" is the document that directs how your assets are distributed upon your death. A will can "pour over" into a trust or name outright beneficiaries of your estate. A guardian for minor children is also nominated in a will.

Trust: While there are many different types of trusts, the most common trust is a revocable living trust. Assets that are transferred to a revocable living trust during your lifetime are distributed according to the provisions of the trust upon your death. One of the biggest benefits of a trust is that you design how your assets are managed and distributed upon your death. A revocable living trust is also, well... revocable. So you can revoke or amend a trust any time prior to your death. Many clients chose to spread out distributions to younger beneficiaries over a period of years while still providing funds for college education and other financial needs. Another important benefit of a trust is that assets owned by your trust at the time of your death avoid probate.

Power of Attorney: If you are disabled, a Power of Attorney allows another individual of your choosing to carry out your financial affairs. So long as the document is signed prior to disability, it allows a trusted advisor to pay your bills, file your tax return, apply for benefits or other important asks, if the event of your disability. A Power of Attorney is frequently used to avoid Guardianship or Conservatorship proceedings with the probate court.

Patient Advocate Designation: A Patient Advocate is an individual who makes medical decisions for you in the event of your disability. While you are not disabled, you nominate a trusted family member or friend to serve as your advocate in the event of your disability. You can also specify your wishes in this document as they relate to your medical care. In addition, the Patient Advocate document allows your designated advocate to talk to doctors and access your medical records, which is prohibited under HIPAA law without a valid Patient Advocate Designation.

How does the Estate Planning process work?

Most people are surprised to find out that estate planning is a fairly painless process. Prior to meeting my clients for the first time, I ask them only to begin giving thought to who they want to name in their estate planning documents to carry out various important roles (Personal Representative, Trustee, Guardian for Minor Children, Power of Attorney and Patient Advocate). If married, I also recommend that my clients discuss these decisions with their spouse prior to the first estate planning meeting. While we certainly discuss and identify all assets, there is no long list of documents I require my clients to bring to the initial meeting.. Setting up the first estate planning appointment is an important step, so I strive to

make it as easy as possible to prepare for our meeting.

At our initial meeting, I will educate you about estate planning in general, answer all of your questions and also ask many questions of you. My goal for our first meeting is to get to know you, understand your family and your values, guide you through the decision-making process by asking good questions and most importantly, listening to you.

After our first meeting, I immediately begin to draft your estate planning documents. There may be additional questions from me or you along the way. I encourage open communication by either telephone or email. I never charge for phone calls or emails regarding estate planning; I want to be sure the final documents reflect your wishes. After I have completed the documents, which usually takes approximately two weeks, we schedule a final meeting to review and sign your estate planning documents. Once the documents are executed, there will likely be additional work on your part to properly fund your trust. Be assured that even after the documents are signed, I am always available to answer your questions.