Estate Planning Basics

In a letter written in 1789, Benjamin Franklin famously wrote, “In this world nothing can be said to be certain, except death and taxes." A lot has changed since 1789, but since Ponce de León’s Fountain of Youth still has yet to be discovered, it is prudent to adequately prepare your affairs for your passing. Following is a discussion of some estate planning basics and estate planning documents you may consider in setting up your estate plan.

An estate is personal possessions and property left over after one passes. Estate planning involves the proactive planning of how your estate and affairs are handled on your death. Proper estate planning can reduce costs and make for a smooth execution in carrying out the desired wishes of the deceased. Probate is the legal process by which the estate is formally and legally identified and executed.

One of the most basic estate planning forms includes a Will. A Will defines your intentions upon death and appoints someone to carry out those wishes. This includes how you wish your estate to be distributed upon your death. Attorney Will Bratcher from Bratcher Law Office in Thorp recommends your Will be reviewed every three to five years and every time there is a major life event in your family such as a birth, graduation, wedding, divorce, disability, or death. A Will is also important for those with minor children as this document names a caretaker, called a guardian, for your children if you pass before they turn 18 years old.

Besides a Will, Bratcher also recommends a Power of Attorney for Health Care in estate planning. Bratcher explains, “By signing this (Power of Attorney for Health Care), you give someone you trust the legal power to make decisions about your health care if you are unable to make those decisions for yourself. It is also important that you talk to that person you name as your healthcare agent about the types of care you want, and the types of care you don’t want, as it will make it easier for them to make any tough decisions later on”. Bratcher also recommends designating a Financial Power of Attorney. This is someone who can act on your finances, on your behalf, in the event you are incapacitated.

Additional items that should be discussed with your estate planning attorney include the appropriateness of a Trust and Transfer on Death (TOD) or Pay on Death (POD) designations. Remember to also review and updated beneficiary designations on retirement accounts, annuities, and life insurance contracts.

This discussion of basic estate planning is just that – basic. It only scratches the surface and a qualified attorney will be able to help construct an appropriate estate plan and draft necessary estate planning documents.

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