

Planning Today for Your Family's Tomorrow

- “It’s never too early to prepare essential estate planning documents, but it can be too late.” – AARP.org
- A good [man] leaveth an inheritance to his children's children: and the wealth of the sinner [is] laid up for the just. -Prov. 13:22 KJV

Cornerstones of Your Family Plan

- Life Insurance
- Estate Planning
 - Wills
 - Advanced directive
 - Power of attorney
 - Trusts
 - Revocable trusts
- Sources of Estate Planning Documents

Life Insurance

- Purchasing Basics
 - Term versus whole life
 - Age triggers
- Purpose of Life Insurance
 - Funeral costs
 - Replacement income
 - Paying off debts

Estate Planning Overview

- Purpose – ensure that his money and property are distributed according to his wishes. Without a valid will, the state will divvy up his assets in accordance with local laws.
- Executor - a personal representative who will carry out his wishes after his death. This person will pay taxes, pay money due to creditors and distribute the assets. If your loved one doesn't appoint an executor, the state will.
- Probate - the legal process that determines the validity of the will and oversees distribution of assets, even if there is no will. The probate process differs by state.

Estate Planning Overview (cont.)

- Regardless of whether your loved one has a will or a trust, any property that's jointly owned with someone else will go to the joint owner upon your loved one's death. Any asset with a designated beneficiary, such as an individual retirement account, will go to that beneficiary.

Wills

- A will is a legal document that tells who will manage your estate, who will get your belongings, and, if applicable, who will become guardian of your minor children or other disabled family members after you die. Die without a will and the state makes these decisions.

Advanced Directive

- An advanced directive is a catch-all term that refers to health care directives, living wills, health care (medical) powers of attorney, and other personalized directives. All of these documents allow you express legally your preference for continued health care should you become terminally ill.

Power of Attorney

- A power of attorney delegates the power to legally handle your financial affairs should you become disabled or incapacitated. Without this, no one may be able to access your bank account, securities, or any other property in your name without lengthy legal proceedings.

Trust

- A trust transfers ownership of selected property to the trust. He also names a trustee to manage the trust for a beneficiary's (or multiple beneficiaries') benefit. The grantor can appoint himself as the initial trustee. A living trust takes effect during the grantor's lifetime.

Trust (cont.)

- It eliminates the need for your estate to pass through probate court before it can be passed on to your heirs. Properly worded, a trust can also be used as a substitute for powers of attorney.
- Your trust can be written in a way that will pass your assets on to your beneficiaries immediately upon your death or portioned out over time and in amounts that you specify. Your attorney can help by including tax savings clauses that may help to reduce state and federal estate taxes.