

Estate Planning

More than just a will

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Presented by Cerity Partners

Today's Discussion

- What is estate planning?
- What are the types of property ownership?
- What are the key elements of an estate plan?
- What are the roles of the individuals involved?
- What if I don't have an estate plan?

**FAILING
TO PLAN IS
PLANNING
TO FAIL**

What is Estate Planning?

At the most basic level, an estate plan is a set of instructions for your property and your person.



Types of Property Ownership

Different rules apply for selling & transferring property based on who owns it.

Sole Ownership

You can sell/transfer the property to whomever you choose.

Tenants in Common

Each person owns a specific percentage & can sell/transfer their interest without the other's consent.

Joint Tenants with Right of Survivorship

Upon the death of one owner, the property automatically passes to the others.

Tenants by the Entirety

Property can't be sold unless married couple both agree, and upon death, automatically transfers to the surviving spouse.

Contract Assets (Life Insurance, IRAs)

Funds are automatically transferred to the named beneficiaries upon owner's death.

Trusts

The trust agreement determines the distribution of trust assets.

Elements of an Estate Plan

An effective estate plan typically includes these documents:

| | |
|----------|--|
| Property | ✓ Last Will & Testament |
| | ✓ Letter of Intent/Instruction |
| | ✓ Trust Agreement |
| | ✓ Beneficiary Designations |
| | ✓ Digital Asset Credential List |
| | ✓ Deeds and Titles |
| | ✓ Bank and Custodial Records |
| Person | ✓ Power of Attorney |
| | ✓ Guardianship Appointment |
| | ✓ Health Care Proxy or Medical Directive |

Last Will & Testament

Without a will, the state will decide who gets your property, and the outcome may not be what you intended.

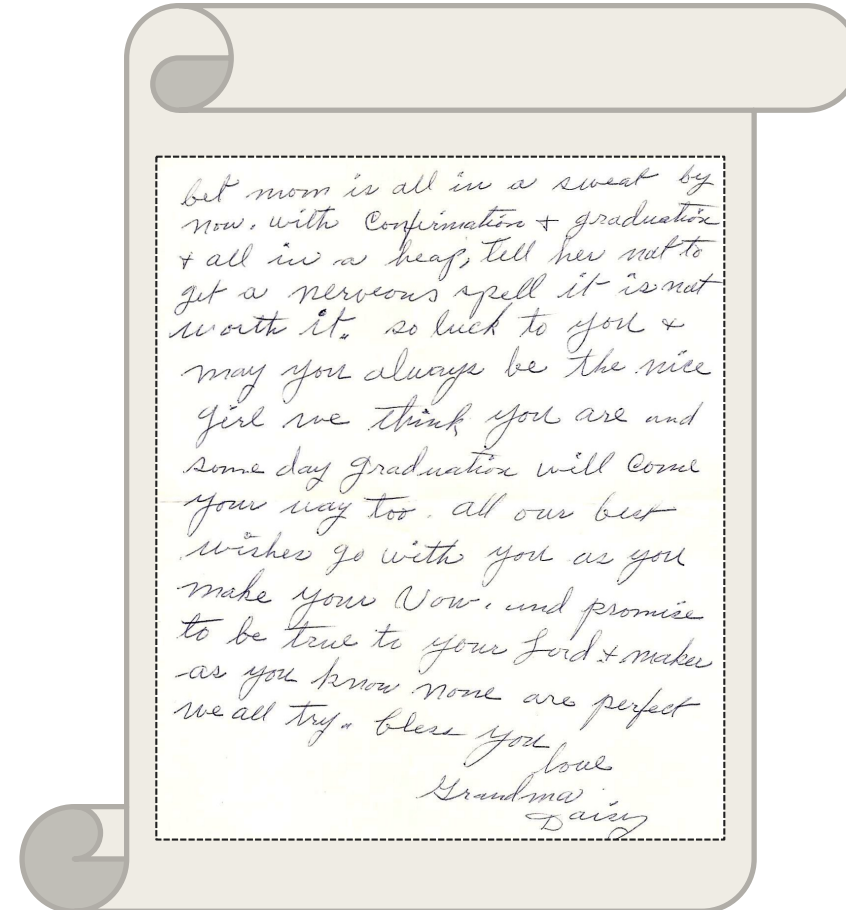


- You (the testator) use this legal document to express how your property should be allocated at death and name an **executor** to manage your estate until it is distributed.
- You may also appoint a guardian for your minor children.
- After your death, the executor will file your will with the courts to start the probate process (distribution of your estate).

What is a Letter of Instruction/Intent?

A non-binding private letter to your loved ones

- Your intention for your personal effects
- Wishes for funeral arrangements
- Location of important documents
- Personal thoughts



What is a Power of Attorney?

A legal document that grants someone (agent) the authority to act on your behalf in the event you're unable to do so

Limited

- The agent has the power to act for a very limited purpose or in a very limited scenario. The power ends at a specific time.

General

- The agent has all the rights and powers that you have yourself. Unless rescinded earlier, their authority ends at your death or incapacitation.

Durable

- A Durable Power of Attorney can be either limited or general. It remains in effect, even if you become incapacitated, until your death.

Springing

- This Power of Attorney “springs” into effect only if you become incapacitated and ends at your death.

What are the Necessary Medical Documents?

In the event of a medical emergency or terminal illness, you want to be sure your health care wishes will be followed.

Living Will

Only becomes effective when you're no longer able to make your own medical decisions, and your doctor has diagnosed you with a terminal illness or vegetative state

Health Care Proxy

Allows you to appoint another person to make medical decisions on your behalf if you're not able to do so

Do Not Resuscitate Order (DNR)

Instructs medical personnel not to revive you if your heart stops or if you stop breathing and can only be prepared by a doctor



Roles of Involved Individuals

Depending on your estate planning needs, one or more of the following people may be involved in addition to your attorney and other professional advisors.

Executor

Submits will to probate court and ensures proper distribution of your property

May make certain tax elections

Guardian

Responsible for well-being of minor children (personal guardian)

Takes care of certain property for another person (property guardian)

Grantor

Creates and funds a trust through a will or trust agreement

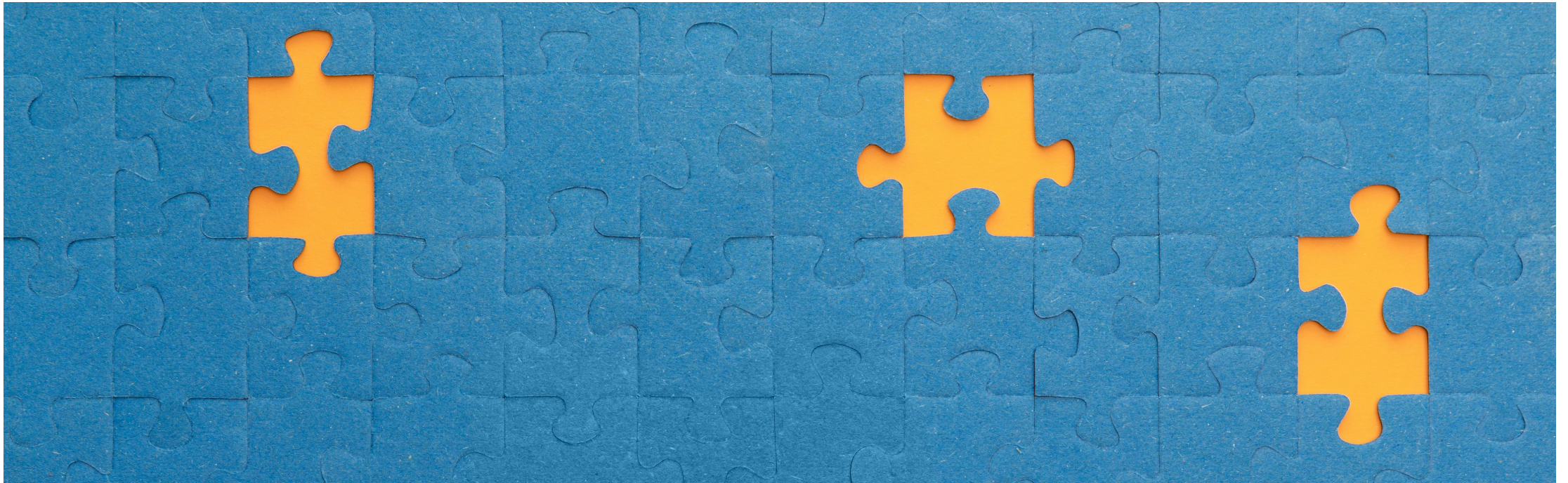
Establishes the parameters for the trust's administration

Trustee

Ensures proper funding of the trust and the distribution of assets

Responsible for proper administration of trust provisions, which may also involve trust investments

What Happens If You Don't Have an Estate Plan?



Next Steps



Use the information presented today to identify which documents you have and which ones you need to create



Contact us for assistance in developing your estate plan



Attend upcoming presentations to build your financial know-how

Questions

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