

Action Item

Notes

Consider Estate Planning Now

Estate planning often falls to the bottom of our “to-do list” because it is not a pleasant thing to think about and because none of us expect to need it anytime in the near future. Estate planning deals with possibilities, not probabilities. It is possible that the need will arise, so have a plan in place to take care of yourself and your family, just in case the need does arrive sooner than expected. Many people assume that estate planning is nothing more than, “If I get hit by a car on the way home from work today, I need a Will so that I can pass my assets to my intended beneficiaries”.

While having a Will is one piece of an estate plan (granted, a very important piece), it is by no means the only piece of an estate plan.

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Applicable Form

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Estate Planning Forms

– to be reviewed every 3 years, or sooner if circumstances change (a major life event such as marriage, birth of a child, divorce, or the death of a spouse or other family member) or whenever the law changes.

Will

You need a **Will** to arrange for the passage of your individually-owned assets to those beneficiaries that you want to inherit, under the terms and conditions that you want.

Power of Attorney

You need a **Power of Attorney**, so the person of your choice would be able to access and manage your assets for you. In the absence of a Power of Attorney, the Court would select someone (who might not be a trusted family member) to do so for you, after a long, costly procedure.

Health Care Directive

You also need a **Health Care Directive**, so the person of your choice would be able to make medical decisions for you. In the absence of a Health Care Directive, the doctors generally do not have to abide by the wishes of your family, especially when different family members have different opinions as to how to manage your health matters.

Temporary Guardianship Document

(if you have minor children)

If you have minor children, you also need a **Temporary Guardianship Document**, appointing the person of your choice to have the legal authority over them, to make medical and legal decisions for them while you are unable or unavailable to do so yourself.

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What You Need To Know About What Happens Following Your Death

A Will is not the only method to pass your assets to your intended beneficiaries. There are actually three different methods of passing those assets:

- **Joint property** does not pass under your Will but rather to the surviving joint owner by the title of the asset.
- **Beneficiary Designation Assets** (life insurance, pensions, annuities, Thrift Savings Plan accounts, IRA's, etc.) also do not pass under your Will but rather by a form called a beneficiary designation. This, too, should be updated periodically as circumstances or the law changes.
- Only **assets in your name alone** pass under your Will.

Estate Taxes and Estate Planning

Estate taxes also play a role in estate planning. All assets passing at your death are potentially subject to Federal and State estate taxes, except:

- The taxes are assessed only against your net estate, so funeral expenses, mortgages and other debts, and post-death expenses reduce the taxable amount.
- Any amounts passing to a U.S. citizen spouse are not subject to the tax.
- Any amounts passing to qualified charitable organizations are also not subject to the tax.
- Any amounts below the "tax exemption amount" are also not subject to the tax:
 - Federal exemption is currently \$5,430,000 for a single person, and \$10,860,000 for a married couple.
 - About a dozen states have state estate taxes with exemptions varying between \$675,000 and \$5,430,000.
 - These exemption amounts are applicable during 2015; be advised they change periodically.

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Probate	<p>The government supervision of the executor properly doing his/her job in accordance with the terms of your Will, is relatively simple in some states and in some situations, but more complicated in other states and situations. In those later cases, consider a somewhat more complex approach to estate planning called a revocable living trust, where you put your assets into a trust so that they are not subject to probate at your death.</p>
Filing and Follow Up	<p>Do put your documents away in a safe place Do Not forget about them</p> <p>Circumstances, as well as the law, are constantly changing. Therefore, you should periodically review your estate plan to be certain that it remains current.</p>