

Estate Planning Basics

This guide provides an overview of essential steps for estate planning. It covers creating wills and trusts, assigning power of attorney, and organizing assets to ensure they are managed as per the individual's wishes upon their incapacity or death.

Step 1: **Document Goals**

Begin by documenting your estate planning goals. Consider the distribution of your assets, the care of minor children, charitable donations, and any other personal wishes.

Step 2: **Inventory Assets**

Create a comprehensive list of your assets, including savings, real estate, investments, insurance policies, and personal property of value. Also, list all liabilities such as loans and mortgages.

Step 3: **Select Beneficiaries**

Choose the beneficiaries who will inherit your assets. Include primary and contingent (alternate) beneficiaries in case your primary beneficiaries predecease you.

Step 4: **Determine Guardians**

If you have minor children, select a guardian for them in the event of your incapacity or death. Make sure to discuss your decision with the chosen individual(s).

Step 5: **Create a Will**

Draft a will that lays out your asset distribution, your choice of guardians for minor children, and an executor to manage your estate's affairs after your passing.

Step 6: **Consider Trusts**

Determine if setting up a trust is beneficial for your situation. Trusts can provide specific instructions for asset management and distribution while potentially saving on taxes and avoiding probate.

Step 7: **Assign POA**

Appoint a Power of Attorney (POA) to handle your affairs if you become incapacitated. You may choose separate POAs for healthcare and financial decisions.

Step 8: **Secure Documents**

Store your completed documents in a secure location such as a safe deposit box or a fireproof safe. Inform a trusted individual or your attorney about the location and access details.

Step 9: **Update Regularly**

Review and update your estate planning documents regularly, especially after major life events like marriage, divorce, births, and deaths in the family.

General Notes

Legal Advice

It is recommended to seek legal advice when creating estate planning documents to ensure they are valid and comply with current laws.

Witnesses

Make sure to have your will and other legal documents signed in the presence of witnesses, as required by the laws in your jurisdiction.

Beneficiary Designations

Review and update the beneficiary designations on insurance policies, retirement accounts, and other financial accounts as these take precedence over wills and trusts.