

ESTATE MATTERS

AN ESTATE PLANNING CHECKLIST

Whether professionally prepared or done yourself, a comprehensive estate plan is composed of a number of important elements - a single omission can have serious consequences for those left behind. A properly planned and executed estate plan can provide comfort for your family during a difficult time and prevent unnecessary stress.

Prepare and Execute a Will - Your will, the central and most important element of your estate plan, determines who inherits your property and serves as a guardian for your minor children (and manages their inheritance). You can also specify wishes for burial and/or cremation arrangements. Be aware, however, that without proper execution your may be declared invalid.

Consider a Trust -Despite all the hype from “trust factories,” probate is no longer the expensive and arduous process it used to be. Still, in certain circumstances a trust can be a useful tool to quickly pass assets outside of the probate process or for tax planning purposes. For larger estates, trusts may be an important component of effective tax planning.

Create a Power of Attorney- A durable power of attorney for finances enables a trusted friend or family member (called an agent or attorney-in-fact) to handle your finances and property should you not be able.

Assign Beneficiaries -Naming a beneficiary on bank and brokerage accounts, stocks, bonds, and retirement assets can conveniently pass the assets outside of the probate process. These “pay-on-death” accounts automatically transfer to the recipient when you die.

Investigate Life Insurance - Life insurance can effectively and quickly provide for your spouse and/or children and pay off significant debt owed at death. Also, proper planning by qualified professionals may be effectively used to minimize estate taxes, especially when insurance is combined with trusts.

Succession Planning- If you are the owner or part owner of a business, you may wish to plan to protect the business in the event of your demise. Common

solutions include provisions for either the business or your to partners to purchase your share. Insurance policies can often be used for funding the purchase.

Specify Health Care Directives in Advance - Specifying wishes in advance protects you during incapacity and makes difficult decisions easier for your family. Health care directives should include a living will should you end up in a terminal state, and a health care power of attorney or designation of health care agent in case you are unable to make your own health care decisions. Don't forget to specify your wishes regarding organ and/or body donation.

Final Arrangements - While prepayment plans may carry risks and be unreliable, a pay-on-death account can be an effective way to transfer assets for funeral, burial, and other expenses. This, along with stated intentions in your will, help ease the burdens of those you leave behind during a difficult time.

Access to Documents - In the event of disability or death, important documents will need to be quickly located. Be aware that your bank safe-deposit box may be sealed at death, preventing access to the documents at the time when most needed. Make sure your family knows where to find and has access to your: will; trusts; insurance documents; real estate deeds; stock and bond certificates; bank account information; retirement account information; access to information regarding debts and bills; information on any other assets; and your final arrangements.

Disclaimer: This general information is not intended as legal opinion or advice, nor a complete estate planning discussion, and refers to Maryland law - your state's provisions may differ. As each situation is different, you should seek independent legal advice from an attorney for specific information.

Charles R. Stewart is an attorney in Hagerstown practicing exclusively in wills, trusts, and estate planning. Please send questions to PN@LawOfficeStewart.com or visit www.LawOfficeStewart.com.