

# Protect your wealth

Planning your estate helps you protect and allocate your wealth so that loved ones receive as much as possible. It also helps ensure you and your wealth are handled according to your wishes if you become incapacitated.

We recommend working with an attorney and a tax professional in addition to your advisor to set up your estate plan. Your personal circumstances, including the size of your wealth, where you live and what you want to do with your assets, will help determine the right strategy for you.

## Assemble these important documents:

- Last will and testament:** expresses your wishes about your property after death and who will manage the distribution of your estate (your executor).
- Durable power of attorney:** designates another person to represent your monetary interests and act on your behalf.
- Medical power of attorney:** designates someone else to make health care and medical decisions on your behalf if you are unable to.
- Advance directive:** communicates prearranged medical decisions if you are unable to.
- Patient authorization:** authorizes a healthcare provider to disclose health and personal information to those whom you appoint to take care of you.
- Appointment of agent to control disposition of remains:** appoints who controls your remains.
- Declaration of guardian:** names a person who will be the guardian of your person and/or estate in the event of your incapacity or disability.

## Other items to consider:

- Understand probate and its implications. Certain states have different taxation rules. Know yours.
- Assign your professional team, and ensure both you and they understand the role they play:
  - Power of attorney
  - Executor
  - Trustee
  - Guardian
- Make sure you keep all of your documents in a safe place and tell someone you trust where they are located.
- Coordinate account registrations and beneficiary designations to align with your estate plan.
- Educate your survivors on the estate plan.
- Write love letters. Once written, file them away with important documents so that they can be found when needed. Here are some ideas to help get you started:
  - What has it meant to you to be your child's parent? To be your significant other's spouse?
  - Name special attributes of each family member.
  - Share an important piece of advice or life truth.

## Additional terms:

- **Trustee:** A third party designated to hold and manage assets on behalf of beneficiaries. This is often needed for beneficiaries who are minors.
- **Trust:** Traditionally used to minimize taxes and/or to provide additional control over the assets, trusts can be arranged in many ways and can specify exactly how and when the assets pass to the beneficiaries. Since trusts usually avoid probate, your beneficiaries may also gain access to these assets more quickly.
  - **Revocable trust:** Also known as a living trust, a revocable trust can help avoid probate, yet allows you to retain control during your lifetime.
  - **Irrevocable trust:** An irrevocable trust typically transfers the assets out of your estate, which can help avoid estate taxes and probate, but you cannot alter the terms or control the assets after it has been established.
- **Guarantor:** A person who guarantees to pay for someone else's debt if he or she should default.
- **Probate:** The court-supervised settlement of an estate, probate's purpose is to avoid fraud after death. Not all estates will go through probate. Please speak with your advisor and/or your estate attorney to discuss your specific situation.
  - Assets that are subject to probate include:
    - Those in your name alone.
    - Those held as a tenant in common (rather than joint ownership) with others.
    - Those designated as payable to your estate or those with no beneficiary.
    - Debt owed to you before death but paid after death (e.g., paycheck).
    - Household items without a title (e.g., jewelry).
  - What's not subject to probate:
    - Life insurance
    - Pension plans
    - IRAs
    - Personal annuities
    - Buy/sell agreements

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