

Get yourself
headed in the
right direction—

Plan Now

To Ensure Your Peace of Mind

Writing a will ensures your family is taken care of after your passing. Without it, the state ultimately decides how your assets will be distributed. You will prevent uncertainty by having an estate plan, and a basic will is the first step in implementing an estate plan. As you acquire more assets, a more sophisticated plan may be necessary. Here are the steps to making your basic will:

1. Decide what property to include in your will.

Decide which items should (or must) be bequeathed by other methods outside your will. Keep in mind that if you're married, each spouse makes a separate will.

2. Decide who will inherit your property.

Don't forget to choose alternate (contingent) beneficiaries, too, in case your first choices don't survive you.

3. Choose an executor to handle your estate and carry out the terms of your will.

4. Choose a guardian for your children if they are under 18.

5. Choose someone to manage your children's property.

If you leave property to children or young adults, you should choose an adult to manage whatever they inherit and give that person authority over the child's inheritance until adulthood.

6. Make sure your will is valid.

Many states have different requirements that must be followed for a will to be valid. Make sure you understand and follow those requirements or get help from a legal professional.

7. Store your will safely.

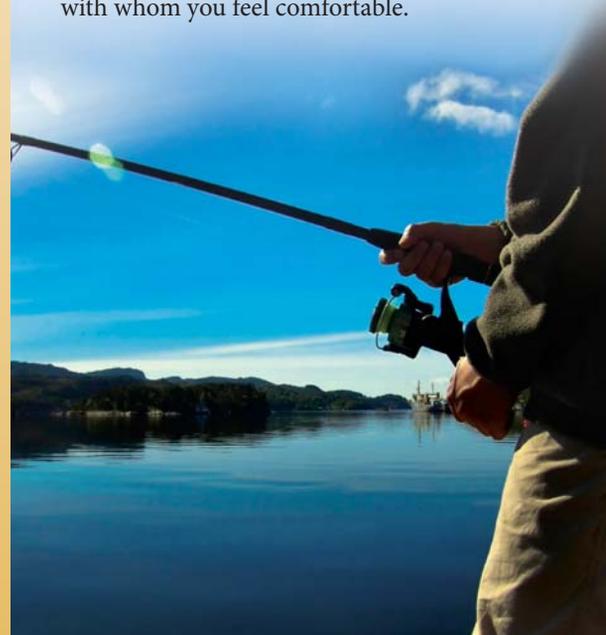
Tell your executor where your will is and how to get access to it when the time comes.

Your Best Plan: Set Up a Trust.

If you want to be sure that your estate goes to your beneficiaries without delay or the expense of probate, consider establishing a trust. A trust states how and when your assets are distributed after you pass and allocates those assets to heirs efficiently without the cost, delay and publicity of probate court. There are many types of trusts to choose from, all of which have their advantages and disadvantages. It is important to discuss your options with a professional in the industry.

Hire an Expert.

Poor estate planning can cost you a lot of money, so it is important to choose an estate planning attorney with a broad knowledge of the field. Inquire about probate, revocable living trusts, how laws interact from state to state regarding trusts and probate, estate taxes, and powers of attorney to determine if he or she fits your needs. Find out what services are offered and what fees you will be paying. Ask your real estate agent or mortgage consultant for a referral to ensure you hire someone you trust and with whom you feel comfortable.





Mapping Out Your Options

There are three fundamental ways you can own property. How a particular asset is titled will affect whether your property will be probated. Probate is a court-supervised procedure of identifying and determining the value of a person's assets, paying the person's final bills and taxes and distributing what is left to the person's heirs.

Individual Ownership – An asset held solely in your name. You have the right to distribute these assets as part of your estate plan.

Joint Ownership – There are three forms of joint ownership:

Joint Tenancy (with rights of survivorship) – If one owner dies, the surviving owner or owners continue to own the property and can remove the deceased person from the asset by presenting a death certificate.

Community Property – Recognized in nine states. It provides that each spouse owns one-half of the assets acquired by either spouse during the marriage.

Tenants in Common – Allows two or more people to jointly own an undivided interest in the asset. Upon one owner's death, their percentage of ownership is transferred to their beneficiaries, while surviving owners retain their original percentage (unless they were also beneficiaries).

Title by Contract – Contractual relationships can be entered into that allow an account owner to designate a beneficiary. Examples are banks, insurance companies, investment firms and retirement account custodians. These designations generally avoid probate.



Estate Planning *Essentials*

- **Last Will and Testament** – The basic legal document that forms the backbone of your estate plan.
- **Revocable Living Trust** – Allows the trustor (you) to fund and manage a trust with all of your assets. The trust assets are then managed by a trustee (who can also be you). Upon death, a successor trustee can distribute assets according to the provisions of the trust without court supervision.
- **Affidavit or Memorandum of Trust** – Financial institutions involved in a Revocable Living Trust will often request a copy of the trust agreement for their files. An affidavit or memorandum of trust provides the institution with the information it requires, while keeping further trust details private.
- **Advance Medical Directive** – Allows you to specify who will make health care decisions if you are unable to do so yourself and what medical procedures you want to receive given certain circumstances.
- **Durable Power of Attorney** – Allows the person you designate to manage your assets if you are physically or mentally unable to do so.