

ESTATE PLANNING BASICS

Estate planning can accomplish many goals. Common goals of estate planning include ensuring that your assets benefit only those people and charities that you choose, avoiding probate and minimizing post-death administration costs, and providing a management vehicle for your assets - both while you're alive and after you pass away. Basic estate plan documents that you should consider include the following:

Will - A will can be used to dispose of your assets after your death, to name a guardian or conservator for your minor children, and to appoint the person that you would like to handle the administration of your estate after your death (your "personal representative"). You should have a will even if you have a trust.

Power of Attorney – A power of attorney appoints someone to act on your behalf for financial and other similar matters. This can be useful if you become incapacitated, are away on travel, or are unavailable to sign documents for a closing or other transaction.

Designation of Patient Advocate (Health Care Power of Attorney) – This document appoints someone to make health care decisions for you in the event you are unable to do so. This document states your specific wishes and may be made part of your medical records.

Revocable Trust – Trusts can be used for many purposes, such as reducing estate taxes, avoiding probate, providing for the management of your assets in the event you become incapacitated, the distribution of your assets upon death, and for the continued support of your spouse, children and other loved ones after your death. If you have minor children, a trust is an effective way to help ensure that your assets will continue to be managed and made available to them for their support, health and education after your death.

Deeds, Gifts Lists, Beneficiary Designations – Estate planning goals can also be accomplished by the effective use of deeds, gifts lists and beneficiary designations. These can be used either alone or in combination with other estate plan documents, depending upon your specific circumstances.

Coordination with CPA and Financial Advisor – An estate plan is most effective when it is coordinated with your CPA and financial advisor, working as a team.

The best time to consider your estate plan is now. If you have estate plan documents, they should be reviewed every 3 years, or earlier if you have had a child, received an inheritance, purchased real estate, been divorced, or any other similar life changing event has occurred since you last reviewed your estate plan.

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