

Create a Five-Star

Estate Plan

Most people know that it is important to have a will and estate plan--even if your "estate" is very small, consisting only of money in the bank, your home, your car and/or life insurance.

In order to finalize your estate plan, you will need to work with an attorney--one who specializes in wills and estate planning--who can help you formulate your intentions and make sure that your estate plan is designed to carry out your wishes. Before you meet with your attorney, however, use this checklist so you can get a clear picture of what assets should be included in your estate plan. This list will also help your attorney draft a plan.

Inventory Your Assets

What assets do you own?

cash in savings and checking accounts--list banks and account numbers

stocks and bonds, mutual funds, money market funds and CDs--list firms and account numbers

real estate (including vacation property), automobiles, jewelry, artwork and other valuables

life insurance policies on your life--list face amount, cash value, beneficiaries, name of insurance company and agent

IRA and other retirement plan assets--list custodian, account numbers and beneficiaries

interest in a business, partnership interests and money owed to you by other people, etc.

interest in a trust that was set up by someone else

Also, what debts and obligations do you owe? Do you have a mortgage on your home or a loan on your car? Are there credit card or other debts that you owe? Write down the specifics about these obligations: to whom is the debt owed; name, address and number of account; amount of debt outstanding; repayment schedule; etc. How are your assets owned? Are your assets owned in your own name? Jointly with someone else? Do you live in a community property state where your assets are owned as community property with your spouse? Be sure to include the names and addresses of any co-owners of assets on your list. Where are your assets located?

Where is your real estate located?

Where do you keep your jewelry?

Where do you keep your insurance policies and other important documents?

If you have a safe-deposit box, where is it located? What is the box number? Where do you keep the keys?

What is the value of your assets?

Keep in mind that your estate assets include everything that you own--no matter where these assets are located. It will be important for you to know the value of your assets so

you will have an idea of your estate's total value and the value of the assets that you will later transfer to your heirs.

Whom to Include in Your Plans

After you have listed all of your assets and all of your debts, think about where you would like your assets to go after your lifetime. Make a list of all of your close family members and friends whom you want to remember in your plans. Be sure to include their names, addresses and telephone numbers. List any charitable organizations you want to benefit after your lifetime: your place of worship, hospital, school, service agency, etc. A gift to these organizations through your estate can make a lasting difference. Think about whom you want to be the executor (or personal representative) of your estate. That person (or entity) will be the manager of your estate, file your will for probate (the legal process of verifying your will), collect and manage all of your assets, pay all of your bills and funeral expenses, pay any estate or inheritance taxes due, and, finally, distribute your assets to the heirs that you have designated. Your executor should be someone you trust--someone who can handle business matters, and someone who also will be sensitive to the needs and desires of you and your family.

Important Documents

Each state has its own rules regarding estate planning that will determine how your estate plan is drafted. An estate plan, however, will usually consist of these basic documents:

Will. Your will is a written document, executed in accordance with the formalities required by state law. Your original will should be kept in your attorney's office for safekeeping. You should also keep a copy and make sure your executor and family members know where it is located.

Living Trust. You may wish to set up a revocable living trust to protect your assets during your lifetime and to direct where the trust assets go later. This document can become the instrument by which your assets are distributed, in essence acting like a will. Be sure to discuss this option with your estate planning attorney to see if a revocable living trust is right for you.

Durable Power of Attorney. A durable power of attorney is a written instrument authorizing another person to make decisions for you--usually in financial matters--when you are unable to make those decisions for yourself. A durable power of attorney remains effective if you should become ill or incapacitated, but ends at death. You should keep a copy of the power of attorney and the address of the person holding the power with your other estate planning records.

Living Will. A living will is a legal document that expresses your wishes about prolonging

your life by artificial or extraordinary measures in the event of serious illness. Although your attorney will draft your living will, you should discuss its provisions with your doctor to make sure that he or she feels comfortable about carrying out its directions. Your doctor should have a copy of your living will with your medical records, and you should keep a copy with your other estate planning records.

Health Care Proxy. A health care proxy is a written document that names the person you want to make medical decisions for you in the event that you are unable to make them for yourself. In essence, a health care proxy is a power of attorney for making health care decisions. The person you choose will be making critical decisions for your care if you are unable to do so. Be sure to keep a copy of your health care proxy with your living will and other important estate planning records.

For More Information

We have presented a brief overview of what is involved in the estate planning process. We hope this brochure will provide you with some background information and ideas to think about before you meet with your own advisors to work out your estate plan. If you are considering a gift to Fairwood Community United Methodist Church, we would be delighted to work with you and your advisors to explore the many charitable gift options that can enhance your overall estate plan and benefit you and your family--as well as provide a meaningful gift. Please contact the Planned Giving Committee at 425-228-4577.