

Painless Estate Planning: It's Not Just for Rich People

Presented by BHS



Objectives

- Why are estate documents needed?
- Types of estate planning documents
- Review Last Will & Testament
- Review Trusts
- Discuss Durable Power of Attorney
- Review Advance Directives
- Naming Beneficiaries
- Maintenance and Cost

The Importance of Estate Planning in our Modern Society



- Americans move a lot
- Longevity: People are living longer
- Amazing Medical Technology
- Marriage, Divorce, Remarriage, Cohabitation, etc.



Types of Estate Planning Documents



- Last Will & Testament
- Trusts
- Durable Power of Attorney
- Advance Directives
- Beneficiary Designations



Last Will & Testament



A will is a legal declaration by which a person names one or more persons to manage their estate and provides for the transfer of their property at death.

Testator: Person who wrote and executed the Will

Last Will & Testament



- Executor: Person appointed by the Testator to administer the estate of the deceased
- Intestate: Dying without a Will





Assets: Probate vs. Non-Probate

- How property is transferred depends on whether assets are probate or non probate
- Probate assets are owned by the deceased and are distributed by the court: house, artwork, jewelry, individual bank account, etc.
- Non-probate assets bypass the court and are distributed directly to named beneficiaries: 401(k), IRA, TOD, property held in joint tenancy with right of survivorship.
- Probate is the legal process of transferring property from the deceased to the heirs
- Probate can be done with or without a Will
- A Will, of course, gives you control
- As for non-probate, be careful who you name as beneficiaries

Trusts



- A trust is a fiduciary arrangement that allows a third party, or trustee, to hold assets on behalf of a beneficiary or beneficiaries
- Revocable vs. Irrevocable
- Testamentary vs. Living



Trusts

- Grantor/Trustor – creates the Trust
- Trustee – manages the Trust
- Advantages and Disadvantages





Durable Power of Attorney

- A durable power of attorney is a legal document that gives another individual authority to act for you (if not incapacitated).
- When you die, the power ends.
- For financial and legal matters
- For health care





What are Advance Directives?

- A written statement of your wishes, preferences, and choices regarding end-of-life health care decisions.
- Think about your religious beliefs, philosophy of life, family, etc.
- Let your wishes be known to family, friends, healthcare providers.
- Do your heirs a favor. Give them peace of mind.
- Living Will/Health Care Directive/Directive to Physicians
- Health Care Proxy/Medical Power of Attorney



Living Will / Healthcare Directive



- A living will is a legal document that expresses your wishes regarding the use of life-sustaining procedures.
- Think about your religion, philosophy of life. What do you want?
- Do your heirs a favor
- Does not appoint another person to speak on your behalf
- You can revoke the instructions in your living will at any time

Health Care Proxy/Medical Power of Attorney



- A health care proxy is a legal document where you name a person to make medical decisions for you if you are unable to do so yourself
- Also called: durable power of attorney for health care, health care agent, health care surrogate
- Choose a person(s) who will follow your wishes



Beneficiary Designations

- For non-probate assets: 401(k) s, IRAs, life insurance, annuities, pensions
- Bypasses a Will
- Update after a major life event:
 - marriage
 - divorce
 - remarriage
 - new child, etc.

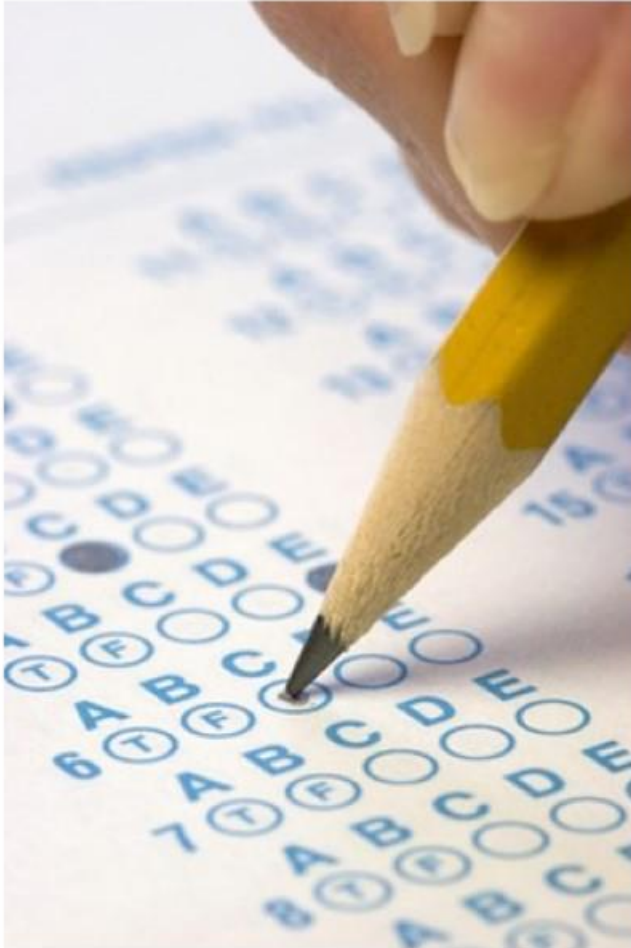




Maintenance and Cost

- Update your estate documents after a major life event: moving to another state, marriage, divorce, the death of an heir, etc.
- Costs vary depending on where you live and the complexity of your situation
- Using online – do it yourself forms: \$100-250
- Hiring an attorney: \$500 for basic – flat fee or hourly. \$5000 for very complex

Resources

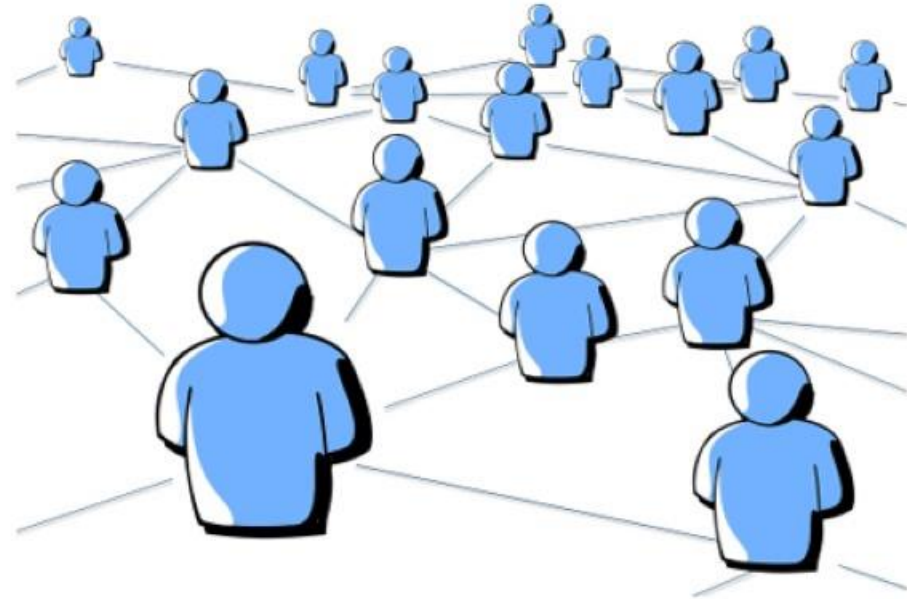


- www.putitinwriting.org
- www.agingwithdignity.org
- www.aarp.com
- www.nolo.com/nolo/willmaker
- www.legalzoom.com
- www.lawdepot.com
- “Get It Together – Organize Your Records So Your Family Won’t Have To” by Melanie Cullen and Shae Irving JD
- “ABA/AARP Checklist for My Family: A Guide to My History, Financial Plans and Final Wishes” by Sally Balch Hurme

Additional Resources



- Non-Profit Organization
 - www.washingtonlawhelp.org
 - www.peoplesmemorial.org
- Additional Resources
 - EAP Legal/Financial Resources



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