



# ESTATE PLANNING BASICS

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## WHAT HAPPENS IF I DIE WITHOUT A WILL OR OTHER ESTATE PLAN?

If you die without a will or other estate plan, it is referred to as intestate, and the laws of intestate succession apply. State laws regarding intestate succession apply, but generally, your assets will be distributed to your family members in a priority established by your state. Typically, assets will go to your wife and children, or remote family members. If you die intestate, your estate will be probated.

## WHAT IS A WILL?

A will is a legal document that directs who will receive your property and how they will receive it. A will allows you to decide how your property is distributed after your death. A will also appoints a personal representative to manage your estate. A will can appoint a guardian for the care of your minor children. However, some property does not pass through your will. A will is processed through probate court.

## WHAT PROPERTY DOES A WILL COVER?

A will governs the disposition of property that you own individually. It does not cover jointly owned property, property held in trust or property or assets with a designated beneficiary (such as a life insurance policy or investment.)

## WHAT IS A LIVING WILL?

A living trust is sometimes called an "inter vivos" or "revocable" trust. It is a legal document which places your assets into a trust for your benefit during your lifetime. After your death, your assets are then transferred to designated beneficiaries at your death by your chosen representative.



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## WHAT IS A POWER OF ATTORNEY?

A power of attorney appoints someone to make financial and other designated decisions on your behalf, while you are still alive. The document permits your attorney-in-fact to conduct any transaction or make any decision you could do yourself. It can be written so that the attorney-in-fact gets their powers immediately, or it can be written so that the powers are only transferred while you are incapacitated or unable to act yourself. A power of attorney ends at the time of your death.

## WHAT IS A MEDICAL POWER OF ATTORNEY?

A medical power of attorney (sometimes referred to or drafted in conjunction with a living will) addresses your end of life decisions, as well as the use of life support and other life-prolonging treatment. A medical power of attorney also designates an individual to make medical decisions on your behalf, in the event you are unable to do so.

## WHAT IS PROBATE?

Probate is the formal legal process of transferring property from a deceased individual to the appropriate beneficiaries.

## WHY DO PEOPLE WANT TO AVOID PROBATE?

For a long time, probate was associated with being a long, drawn out process that cost a lot of money and depleted the assets of the estate. Changes in the law and probate process have eliminated those previous problems. You should speak with a legal professional and determine what type of estate plan is right for you.

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