

Estate Planning

- By Chris Brennan, CFP®

Of all the topics we address with our clients, estate planning is oftentimes the most impactful and rewarding. We're able to navigate our clients through what are oftentimes uncharted waters. We are big believers in the idea that everyone (individuals and couples) should have a well-crafted and periodically reviewed estate plan.

Establishing a plan today will allow for the fluid transition of assets and/or responsibilities when the time comes, while saving loved ones a lot of agony and resources (namely time and money). Regardless of their circumstances, most individuals and families should have an estate plan that involves the following documents:

Will

- Administered by an executor
- Identifies where your assets (financial and/or personal) go in the event of your death
- If your estate plan includes a trust (explained further below), the will is generally very basic and simply "pours over" any estate assets to your trust
- Appoints a guardian of your minor children

Financial Power of Attorney

- Grants another individual the ability to make financial decisions (i.e., pay your bills, sell property, etc.) for you in the event of your incapacitation
- Grants another individual access to your accounts (i.e., bank accounts, investment accounts, etc.) and the ability to engage with other institutions on your behalf
- ***We definitely advocate "adult" college students have this document in place before going away to school in the fall***

Healthcare Power of Attorney

- Grants another individual the ability to make healthcare decisions (i.e., treatment plans, medication, etc.) for you in the event of your incapacitation
- Grants another individual access to your medical records and the ability to engage with health care providers on your behalf
- ***Again, we definitely advocate "adult" college students have this document in place before going away to school in the fall***

Living Will

- Identifies how you would prefer your end-of-life treatment to be administered
- Makes known your preferences concerning life support, palliative care, Do Not Resuscitate orders, etc.

Trust

- Unlike a will, allows for an individual's estate to avoid probate (a potentially timely, expensive and public process)
- Administered by a trustee
- Identifies where your assets (financial and/or personal) go in the event of your death, and in what manner
- Allows for the disposition of assets to beneficiaries (ie, your children) over time, as opposed to all at once
- Allows for creditor protection

In the Financial and Healthcare Power of Attorney sections above you should have noticed our recommendation to have these documents in place for “adult” college students before they go away to school in the fall. Another document, the Family Educational Rights and Privacy Act (FERPA) release form, allows for parents to more easily communicate with their son or daughter’s school regarding grades, attendance, etc. Please check with your child’s particular school to see if they have their own FERPA form for your child to sign (granting authority to the school to speak with the child’s parents).

The first four documents identified above are relatively straightforward. The first three involve the appointment of an individual (someone you trust) to serve in a fiduciary capacity, and in most cases should involve the appointment of an alternate to serve in the event the other individual is unable or unwilling to serve in this capacity. The living will makes your end-of-life treatment wishes known, and removes the possibility of a harrowing decision becoming the responsibility of a loved one.

We could dedicate an article to “trusts” every month of every year as they can be particularly complicated. For most of our clients though they’re relatively straightforward (and not just for the “ultra” wealthy), and allow for peace of mind when parents are concerned with the idea of their three teenagers inheriting \$3,000,000 (or whatever the case may be) of life insurance when they become adults (the age of 18 in Ohio).

It is very gratifying to see the sense of relief from our clients, in particular the ones who have been putting it off for awhile, when this planning is complete. We encourage those of you who have this matter in your rear view mirror, so to speak, to revisit it periodically to make sure your documents are still current, and appropriately accounting for how you’d like things to play out, in the event of unforeseen circumstances.

We welcome any questions you may have and look forward to helping you throughout the daunting, and oftentimes overwhelming, estate planning process.



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Disclosures:

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AND LONG-TERM FINANCIAL FREEDOM.**