

## The Importance to You and Your Loved Ones of Having and Estate Plan

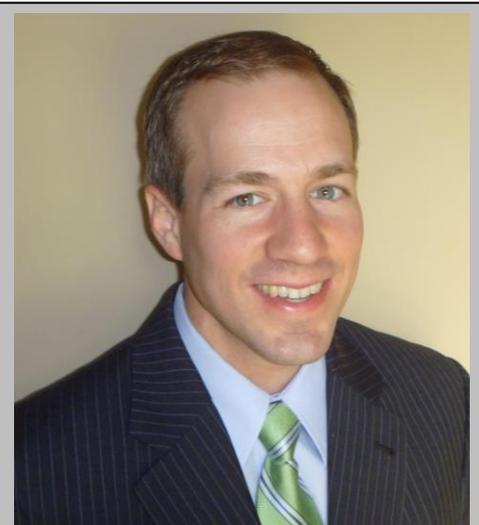
In 2008, Congress recognized the need for the public to understand the importance and benefits of estate planning by passing House Resolution 1499, which designated the **third week of October** as National Estate Planning Awareness Week. Nevertheless, according to a 2021 survey conducted by Caring.com, only 33 percent of adults in the United States have any estate planning documents such as a will or trust, despite the fact that approximately two-thirds of the respondents viewed such documents as somewhat or very important.<sup>1</sup> Many respondents attributed their lack of estate planning to procrastination, but many others indicated a mistaken belief that estate planning is not necessary because they do not have many assets.

### Why should you have an estate plan?

An estate plan can provide significant peace of mind by ensuring that your money and property are protected, plans are in place in the event you become ill, and your accounts and property pass on according to your wishes.

### What key elements of an estate plan should you consider?

- Do you have a **last will and testament and (or) a trust**? If you do not have these important documents, state law will likely determine who will inherit your property—and it may not occur in the way you would have chosen. In addition, someone appointed by the court, instead of a trusted person of your choosing, will be in charge of caring for any children or pets and winding up your affairs. Spelling out your wishes in a will or trust will also prevent unnecessary confusion, anxiety, and expense for your loved ones when you are gone.



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<sup>1</sup> Daniel Cobb, *2021 Wills and Estate Planning Study*, Caring.com, <https://www.caring.com/caregivers/estate-planning/wills-survey/> (last visited August 17, 2021).

- Are the proper powers of attorney in place? A **financial (or general) power of attorney** designates an individual to make financial and property decisions (e.g., opening a bank account, signing a deed, dealing with children or pets, getting your mail, etc.) should you become unable to handle your own affairs. A **healthcare power of attorney** designates a person you trust to make healthcare or medical decisions for you when you are otherwise unable to speak for yourself.
- If you have an **advance directive**, also called a living will, know and understand it. These documents typically memorialize your wishes concerning your end-of-life care, such as whether you want to receive life support if you are in a vegetative state or have a terminal condition.
- Do you have **insurance**? If you become incapacitated (unable to manage your own affairs) or die, it is important for your family or loved ones to have information about your insurance (such as life, health, disability, long-term care, etc.) so they can file any necessary claims. Having the right amount of coverage is also important in case you become ill or die, leaving behind loved ones who rely on your financial support.
- Compile a **list of all of your accounts** and other important information that may be needed to manage your accounts and property while you are incapacitated or to settle your affairs after you are gone. Keep this information in a safe place and share the location only with trusted family members or other loved ones. This list should include at least the following information:
  - bank and investment accounts
  - titles to vehicles and homes
  - credit card accounts or loans
  - digital accounts (such as Facebook, LinkedIn, and Twitter) and passwords
  - Social Security card, passport, and birth certificate
- A **list of legal, financial, and medical professionals** who have performed services for you is also important. The list should include their contact information so your loved ones can easily reach them in the event you or they need the professional's help. You should also have **HIPAA authorizations** in place with medical professionals to ensure that your loved ones can obtain needed information, including asking questions of a medical provider.

#### **How can you encourage your loved ones to create an estate plan?**

Estate Planning Awareness Week is a great opportunity, not only to take steps to make sure your own estate plan is in place, but also to talk to your loved ones, especially elderly parents, about creating an estate plan. Estate planning is often a difficult topic to broach because it brings the unpleasant topics of aging and death to the forefront of our minds. Here are a few tips to help you start the conversation.

- **Be sensitive to your loved ones' feelings.** Put yourself in their shoes and keep in mind that few people are eager to dwell on the subject of their own death. One way to begin the conversation is to talk first about the need to plan for an illness and to provide instructions in the event they become too ill to communicate with doctors or handle financial matters for themselves. The conversation can then progress naturally to the importance of having an estate plan that will transfer their money and property in the way that they wish, provide for the care of any dependents or pets, and minimize any taxes, court costs, and legal fees.

Communicate that you are not trying to control their decisions but only want to ensure that their own wishes regarding their medical care and property are known—and that all of their instructions are in writing to guarantee that they are carried out.

- **Involve others in the conversation.** If you are planning to speak to your parents about the need for an estate plan, try to include any siblings in the discussion to avoid giving the impression that you are attempting to influence or control your parents' choices. You and your siblings should emphasize to your parents that none of you is asking about what you will inherit, but rather just want to make sure that their wishes are carried out if they become ill or pass away.
- **Consult an estate planning attorney.** An experienced estate planning attorney can help you and your loved ones create an estate plan tailored to meet each of your unique needs and carry out your wishes, or they can assist with updating an existing estate plan. We can provide each person with guidance and information about the options available to them. Further, we can help each of you put a plan in place that will likely prevent unnecessary stress, legal expenses, taxes, unintentional or unequal inheritances, disputes among loved ones, and delays in passing on life savings. In addition, the guidance we offer will give you and your loved ones the peace of mind that comes with knowing that plans are in place for your care if any of you become ill and that your wishes will be honored when you pass away. Call us today to set up a meeting.

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