

Is Your Kingdom Safe?

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Estate planning never seems to take first place over the day to day issues of running a business or living your life. However, the price of delaying estate planning can be both loss of money and your intentions.

Briefly, an estate plan should include the following documents:

Last Will and Testament

A Will is base piece of an estate plan. It directs the final distribution of property, appoints any required guardians, and provides for the care of any minor children. When a person dies without a Will (or Trust), at death, (referred to as dying "intestate"), the state of residency will dictate the distribution of property and provide for guardianship and the needs of minor children.

Healthcare Directive or Living Will

This document that details one's wishes for medical treatment they cannot be communicated. Sometimes when a life threatened patient is admitted to a hospital for treatment, a first question will be, "is there a DNR (do not resuscitate) in place?" This document may or may not include a Medical Power of Attorney.

Medical Power of Attorney

Depending in your state of residency, this document appoints an individual to authorize a third party to make medical decisions in concert with the Healthcare Directive.

Power of Attorney

A Durable Power of Attorney authorizes a third party to make decisions for an incapacitated individual. The term "durable" means that the power lasts beyond incapacity or incompetence. A General Power of Attorney typically relates to financial or other specifically defined decisions.

Living Trust

A Living Trust is a separate legal entity, distinct from the grantor, trustee and beneficiaries. It is typically created to own assets such as real estate and investment accounts. The terms of a Living Trust can be changed at any time while the grantor is living and then become irrevocable at death. With a Living Trust, several important goals can be reached including 1) avoiding the time, cost and public record of probate, 2) control taxes and 3) to specifically distribute to beneficiaries. Important: make sure all accounts, records and titles are placed in the name of the trust, not the grantor or beneficiaries.

Periodic Review

Estate planning is a dynamic process. Your plan should be reviewed every 2-3 years or as needed based on personal circumstances, tax laws, and goals change. Make sure to seek the advice of a competent team of advisors on financial planning, investments, taxation and estate planning.

Become the Expert

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