No Kidding: If You're 18 or Over, You Need a Will

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Think only old folks or rich people need to think about an estate plan? Think again. Recent cases like Terri Schiavo or Anna Nicole Smith (not to mention all those young soldiers going off to battle) should serve as timely reminders that every adult should have an up-to-date plan in place. Here are a few tips to get you started.

What's an estate plan?

In general, a basic estate plan spells out your preferences for care and treatment should you become incapacitated; and the disposition of assets at the time of your death. An estate plan is made up of several documents that address those issues:

- Last will and testament
- General durable power of attorney
- Medical power of attorney
- Medical authorization and waiver
- Revocable living trust

How to begin

1. Ask yourself these questions:

- Who do I want to manage my finances if I become unable to handle them?
- Who do I want communicating with my doctors and making medical decisions for me if I become incapacitated?
- Who should make end-of-life decisions for me?
- Who do I want to inherit my assets?
- How and when should they inherit them?
- Who should manage my affairs at the time of my death?

2. Discuss your estate plan and personal wishes with your family. It helps to have everyone on the same page.

3. Write down all your assets and update the list regularly. Keep this list with your estate documents, and let others know where they are.

Strategies for saving

1. There is no current federal estate tax ("death tax"). If the estate tax is re-established, a married couple should consider creating a trust with specific tax plans for both husband and wife.

2. The annual gift tax exclusion is currently $13,000 per person, per recipient. Thus, a married couple may give up to $26,000 a year to each of their children or other designated recipients. Making a gift of this kind is a simple way to

reduce the size of an estate—and share in the pleasure of giving during a lifetime.

3. Other tax-saving strategies include paying a child's tuition or medical expenses directly to the provider, or giving money to charities.

Our Personal Services Group can help you get started—or discuss other tax strategies and estate planning options to enhance your existing directives. Call us if you'd like some assistance.