

# **ESTATE PLANNING CHECKLIST**

## **25 Things You Can Do to Get Your Estate in Order**

One of the greatest gifts you can leave your survivors is an organized estate. The time you spend now will help your loved ones to cope later, and also will ensure your wishes will be carried out. Here is a simplified checklist to help you get started on organizing your estate, and depending on your individual situation, you might discover other items to be addressed. It's a good idea to discuss your plans with your loved ones and the executor of your will. You'll also want to consult with your legal, financial and tax advisers.

### **ESTATE PLANNING**

1. **Make or update your will.** A will allows you to determine what happens to your money and possessions when you die, and who becomes the guardian of your minor children. Otherwise, state laws and courts make those decisions for you.
2. **Make a living will.** This document can speak for you by outlining the medical procedures you want taken if you become too ill to state your wishes yourself.
3. **Create durable powers of attorney.** These documents allow you to appoint someone to make decisions on your behalf if you become incapacitated. There are two types: one to deal with your personal, legal and financial affairs, and another to deal with health-care decisions.
4. **Create a letter of instruction.** This document provides a list of instructions for your survivors to follow. For example, it can spell out funeral wishes, people to contact, and where your will and other key papers can be found. It also can provide information about your financial accounts and activities.
5. **Calculate your net worth, including life insurance proceeds.** If you have substantial net worth, consider talking to a tax or financial adviser to determine steps necessary to minimize or eliminate the impact of federal and state estate taxes.
6. **Establish a trust if appropriate.** A trust is a legal entity that holds property designated by you for the benefit of you and your beneficiaries. For example, you might need to set up a trust if you name minor children as your life insurance beneficiaries (legally they are too young to receive proceeds directly).
7. **Consider funeral preplanning.** Preplanning can relieve stress on your survivors and give you control over the ultimate cost of your funeral. If you are a U.S. military veteran, you may want military honors at your service; contact your local funeral home or military installation to check on eligibility and availability.
8. **Make arrangements for the orderly transfer of business assets.** Business owners can predetermine what will happen to assets through legal agreements and life insurance on business partners.

## **INSURANCE PLANNING**

9. **Buy or update your life insurance.** Life insurance provides an immediate source of cash that can be exempt from federal and state income tax (but, in general, not estate taxes). It is important to review your ownership, beneficiary and coverage amount every two or three years to make sure your policies still reflect your needs and wishes.
10. **Consider buying health/medical insurance.** There are three major types of coverage that help protect and stretch your assets: Long-Term Care enables you to cover the cost of long-term health care in your home or at a long-term care facility; Major Medical protects you against the ever-rising cost of medical care; and Disability helps protect your income if you no longer can work.
11. **Review your pension plan's survivor benefits.** This might be a plan offered through your employer or the military's Survivor Benefit Plan (SBP). SBP choices made at retirement can be changed if you divorce or marry. Also, the government periodically offers open enrollment periods that enable the plan owner to make changes.
12. **Review your IRA, 401(k) and other retirement plans** for beneficiary arrangements and benefits.

## **ORGANIZING FINANCIAL RECORDS**

**NOTE:** If you store any of the following information on your computer, make a list of all passwords, indicate where any diskettes are stored and where the information can be found.

13. **Create a list of financial accounts.** List account numbers and pertinent information about your investments, bank accounts, insurance policies (life, disability, homeowners, credit and life) and other financial matters.
14. **List the location of valuable documents.** Your list might include deeds, car titles, military records, birth and marriage certificates, divorce decrees and estate planning documents.
15. **List your personal data.** This can include your Social Security number, driver's license number, VA claim number, your date of birth and the names and phone numbers of family members.
16. **Make arrangements for access to your safe-deposit box.** In many states, safe-deposit boxes are closed upon death and are not opened until probate. Make sure copies of your will and other important documents are available outside of your safe-deposit box.
17. **List loan payments.** This listing should include information about credit cards, mortgages, consumer loans, and auto and personal loans.
18. **List other income sources and government benefits.** This includes pensions and Social Security. For information on military benefits, check with the Veteran's Administration or your nearest military installation's casualty assistance office.
19. **List the location of tax records.**
20. **Verify account ownership and beneficiary designations.** Check financial accounts and insurance policies to make sure these conform to your estate planning arrangements.
21. **List all organizations in which you have membership.** They may provide special death benefits and should be noted for your survivors.

## **PERSONAL PLANNING**

22. **Provide a trusted family member or friend** with the location of confidential or valuable items you may have put away for safekeeping.
23. **Provide a family member or friend** with the location of spare keys and security codes.
24. **Provide easy access to your will and your durable powers of attorney.** Keep signed, original copies in your attorney's office as well as a copy in a fireproof file at home. Also give a signed copy to your executor.
25. **Provide the name of your veterinarian and care instructions for pets,** if appropriate.