

# What is Estate Planning and Why You Need It

*Presented by*

*The Charitable Foundation of St. Peter's Episcopal Church*

**Estate Planning** is the process of deciding how and to whom you want your assets to be distributed upon your death and choosing individuals who will make financial decisions and health care decisions for you in the event of your incapacity.

## **The Six Estate Planning Documents Everyone Should Complete**

- ❖ **Last Will and Testament** — The Will allows you to:
  - Appoint a Personal Representative to administer your Probate Estate.
  - Appoint a Guardian for minor children.
  - Make gifts of personal property or cash gifts to individuals and charities.
  - Distribute your assets.
- ❖ **Durable Power of Attorney** – The Durable Power of Attorney (DPA) allows you to appoint an individual to act on your behalf regarding your financial affairs.
  - The primary purpose of the DPA is to allow someone to make decisions if you are incapacitated.
  - Your incapacity is not required for the agent named in your DPA to act on your behalf. The DPA is valid from the moment it is executed.
- ❖ **Designation of Health Care Surrogate** – This designation allows for the individual you select to make health care decisions on your behalf.
  - This person makes health care decisions if you are unable to do so.
  - This document is, in essence, a healthcare power of attorney.
- ❖ **Living Will** – A living will states your end-of-life care wishes.
  - It applies ONLY if you have been diagnosed as
    - 1) terminally ill;
    - 2) having an “end of stage” condition; or
    - 3) being in a persistent vegetative state.
  - Two physicians must agree that you have no medical probability of recovery.
- ❖ **Declaration of Preneed Guardian** – This declaration names who you would like to be your guardian in case you are in need of a court-appointed guardian.

- ❖ **HIPAA Authorization** – This form is a release for medical personnel and institutions so that they may provide your medical information to the persons named in the HIPAA Authorization.

### **Considerations Before Preparing Estate Planning Documents**

- ❖ **Fiduciaries** – Consider the roles that will require appointments. The persons appointed can serve in multiple roles. Consider alternates as well.
  - **Personal Representative** – The person who will handle your probate administration, if required.
  - **Attorney-in-Fact** – This individual will handle your financial affairs if you are unable to do so.
  - **Guardian for Minor Children** – If you have minor children, you will appoint a guardian to care for them in case of parental death(s).
  - **Health Care Surrogate** – A healthcare surrogate is a person that you believe will carry out your wishes for health-related matters.
- ❖ **Distribution of Your Estate** – Put plainly: How you wish to divide your property and who do you want to receive it?
- ❖ **Account Beneficiaries** – Ensure that your financial institutions have on record your named beneficiaries and your contingent beneficiaries for all financial accounts, including retirement accounts.

- *Prepared by Meghann Allen, attorney*

*This handout is for informational purposes only.  
Please consult a qualified attorney for your personal estate planning.*