

Estate plan essentials

A surprising number of people have not yet attended to their estate planning. Perhaps this is because estate planning has become so much more complicated in recent years, even though the burden of taxes at death has been in decline. Estate planning now usually covers medical and financial decisions before the end of life, as well as after death.

Here are the documents that will be drafted for many estate plans today.

Document	What it does
<i>Financial:</i>	
Will	Identifies beneficiaries. May establish one or more trusts for ongoing asset management. Nominates the person or organization to be responsible for estate settlement.
Power of attorney	Delegates authority to an agent to make financial decisions. The agent's authority ends when the principal is incapacitated.
Durable power of attorney	Delegates financial decision power to an agent, even if the principal is incapacitated. In some cases, the power "springs" into being upon incapacity or other identified event.
Revocable living trust	Transfers assets and full financial management authority to a trustee. The trust may continue into incapacity, even beyond the death of the trustor.
<i>Medical:</i>	
Power of attorney for health care (sometimes called a health care proxy)	Identifies an individual to make medical decisions when one is unconscious or incapacitated.
Living will	Provides guidelines for medical decisions when an individual becomes terminally ill, such as whether feeding tubes or ventilators should be used to prolong life.
Do not resuscitate order (DNR)	Specifically requests that cardiopulmonary resuscitation not be used if one's heart or breathing stops.

Source: Merrill Anderson Company