

# Estate Planning

## Advanced Level

### Estate Planning as a Form of Giving

One part of healthy giving is to provide a clear and complete plan for what should happen upon death. A gift that a person can give to survivors is a thorough and clear estate plan. **Estate planning** involves providing a clear and complete plan for what should happen upon the death of an individual and is based on an individual's **values**. It can also include planning care for someone who is incapacitated and unable to give direction to medical care before death, the later is referred to as a **living will**.

Good estate planning can provide many positive life situations for survivors and dependents including:

- Monetary assets gifted
- Precious personal possessions shared
- Organization which saves time utility
- Letters of love to dependents

Good estate planning is a gift that goes to future generations, it is a direct result of **trade-offs** made throughout life. An estate plan can strengthen family relationships, leave a legacy of care and good will, and reduce the frustration, worry, time utility and monetary cost incurred by survivors who struggle to settle an estate.



Death impacts people at all ages. Therefore, it is important to learn about estate planning.

### Estate Planning for You

Are you younger than age 18? If so, you cannot create a legal estate plan in most states. However, regardless of age, you can let your parents and other significant adults know what you want. The best way to begin this process is to start a conversation, possibly followed by a letter. The letter would not be a legal document, but it would offer family members a way to follow your wishes. **A letter of last instruction** would be preferred as a means of communication because writing has a longer lasting presence and would have more weight in a conflict. Further, spoken words can be forgotten or remembered incorrectly whereas a written letter would express the thoughts in more permanent and clear manner.

A letter written by a minor is not a legal document in most states.

What are benefits of creating a letter of last instruction?

## Estate Planning of Others

### *The Issue of Guardianship*

Teenagers who are under age 18 are affected greatly by estate planning. One of the most pressing matters when someone dies or is unable to care for a child is the issue of **guardianship**. Guardianship is established by a legal document called a **will**. If a will is not present or does not name a guardian for a child, the court system must appoint a guardian. A well-planned estate has a will and the guardians named. Further, some financial resources are often directed toward the care of underage children in estate plans. Poor or non-existent estate plans would leave the issue of guardianship to the courts, if no provision is made for a flow of money for child care, it is left up to the court to appoint an appropriate guardian. If no guardian can be identified who can afford the time and money to care for the child, the child could be placed in the foster care system.

What are benefits of discussing guardianship and a will within a family unit?

### Pertinent questions to ask guardians:

Who would take care of me if you couldn't?

Would there be money for someone to take care of me?

Questions

Would my siblings and I be together or would we be split up?

Is a guardian named for me or will it be up to the courts?

### *The Issue of the Handling of the Significant Adult's Estate*

What will happen with the **assets**, money and property, of the significant adult upon death? If there is a will, the named executor should be well known to all stakeholders. The **executor** is known as the person who will make sure the contents of the will are known and acted upon.

It is beneficial in financial planning for all stakeholders to understand the intention of a will. For example, if a parent decides that money will not be distributed to a dependent until the age of 30, the dependent may need to make alternative plans for post-secondary education. Many adults want to leave money and property to charities, other relatives, or friends. This might seem to a dependent an indication of a lack of love for the teen, whereas the adult sees it as a way to express care for a larger group of people. Understanding the motives of giving and avoiding misunderstandings can result in a much more emotionally stable grieving process.



## Financial Planning as a process



What opportunity costs and trade offs are you willing to make to provide a gift for the end of your financial plan?

## Giving as the Final Act of Financial Well-Being

Death and dying is a topic avoided by people in western cultures. However, it does happen to everyone and knowing how this event might be managed with care, love, and justice is a responsibility for each living human. Turning discussion into the idea that estate planning is a final act of love can sometimes put a new and more positive twist on the concept.

Estate planning is the final act in creating financial well-being for self and for others. Establishing ideas about wise and thorough estate planning early can go far.



How does estate planning relate to “Your Present Self Impacts Your Future Self”?