

This Getting Ready for Estate Planning workbook is provided to you to help you work through the six steps and have a record of the items that you have decided upon. Please use this page to check off the items that are completed and the date you completed the step.

<i>Person completing this step:</i>	<i>Date:</i>	6 Steps:
_____	_____	1. Initiate the discussion
_____	_____	2. Take stock of the present
_____	_____	3. Develop objectives
_____	_____	4. Choose Professional Advisors, a Guardian, and a Personal Representative
_____	_____	5. Consider Alternatives
_____	_____	6. Review and Modify

Step 1: Initiate the Discussion

For many people, one of the biggest challenges in getting started in estate planning is beginning a discussion. Too often, family members are hesitant to discuss estate planning. In some cases, it is older family members who delay because of unpleasant thoughts of growing older and dying. In other cases, it's younger family members who hesitate because they don't want to place additional stress on older family members. How can you initiate a discussion without causing misunderstandings?

One way to initiate a discussion is to share what you've learned from this web site or others about estate planning. Encourage other family members to read the materials too. There are many books, magazine articles, and other publications that address estate planning. These could serve as a conversation starter.

There isn't one "right" way to start the discussion. Sometimes using someone else's story can help you get started. The death of a neighbor, distant relative, or friend may give you a place to start. You could say, "Do you remember what happened to so and so and what his family went through? I don't want us to go through all of that."

Talking about your wishes can help you clarify what you want to happen. Others may ask you questions or tell you things that will help you explore what you want. The more clearly you communicate your wishes, the easier it will be for everyone to understand what you want.

Be sure to discuss plans you make with your loved ones. Discussing your plan with your heirs can relieve stress heirs may feel. Remember that keeping your estate plan a secret can lead to family conflict. Explaining your decisions to family members can reduce the potential for conflict and misunderstandings.

Consider the following questions and write down your discussion ideas for step one.

What do I want to say?

When should we discuss it?

What comes next?

Which family member should I talk to?

Person completing this step:

Date completed:

Step 2: Take Stock of the Present

The following pages are tables for each of the items listed below. Please fill in the information for each item. This summary of information will be needed by an attorney.

Checklists for:

1. Family members' names and relationship to you
2. Location of important papers
3. Bank accounts and insurance
 - A. Bank accounts and safety deposit box
 - B. Life insurance
4. Assets
 - A. Trusts
 - B. Real estate
 - C. Stocks and bonds
 - D. Mutual funds (not held in retirement account)
 - E. Retirement benefits
 - F. Personal property
 - G. Notes, mortgages, and accounts receivable
5. Liabilities
 - A. Mortgages and other real estate debts
 - B. Liens against personal property (i.e. vehicle or machinery loans)
 - C. Other personal liabilities
6. Miscellaneous
 - A. Other financial information
 - B. Gifts given

Person completing this step:

Date completed:

Step 2. Take Stock of the Present

1. Family members' names and relationship to you

Full Name (First, Middle Initial, Last)	Relationship	Date of Birth	Address & Phone Number	Social Security No.

Person completing this step:

Date completed:

Step 2 - Take Stock of the Present (continued)

2. Location of important papers

Item	Location	Phone Number
Your will		
Spouse's will		
Power of attorney		
Power of attorney for spouse		
Living will		
Living will for spouse		
Health care power of attorney		
Health care power of attorney for spouse		
Birth certificates		
Baptism certificates		
Marriage license		
Divorce certificate		
Death certificates		
Social Security cards		
Armed forces records		
Funeral directions		
Memorial society membership		
Credit cards		
Location of most recent tax return		

Person completing this step:

Date completed:

Step 2 - Take Stock of the Present (continued)

3. Bank accounts and insurance

A. Bank accounts (checking, savings, etc.) and safety deposit box

Name and Location	Exact Names on Accounts	Number on Each Account	Amount	POD (Payable on Death)

Person completing this step:

Date completed:

B. Life insurance policies

Company	How Owned (You, Spouse, or Joint)	Policy Number	Face Amount	Who is Insured? Who is the Beneficiary?	Cash Value & Any Outstanding Loan

Person completing this step:

Date completed:

Step 2 - Take Stock of the Present (continued)

4. Assets

A. Trusts

Type	Location	Trustee	Who Established	Beneficiary	Value of Trust Property

Person completing this step:

Date completed:

B. Real Estate

Type of Property and Acres	How Titled (You, Spouse, or Joint)	Exact Names on Title	Location	Year Acquired	Cost	Market Value and Date

Person completing this step:

Date completed:

Step 2 - Take Stock of the Present (continued)

4. Assets, continued

C. Stocks and Bonds

Description	Exact Name of Owner	When Purchased	Number	Face Value of Bonds	Purchase Price or Income Tax Basis

Person completing this step: _____

Date completed: _____

D. Mutual funds (not held in retirement accounts)

Name of Company	How Owned (You, Spouse, or Joint)	When Purchased	Original Amount	Current Value	TOD (Transfer on Death)

Person completing this step: _____

Date completed: _____

Step 2 - Take Stock of the Present (continued)

4. Assets, continued

E. Retirement benefits

Name of Company	How Owned (You, Spouse, or Joint)	Type of Plan (401(k), 403(b), etc.)	Beneficiary	Amount	How It Will Distribute (Annuity, Lump Sum?)

Person completing this step:

Date completed:

F. Personal property

Type	How Titled or Owned (You, Spouse, or Joint)	Location of Title, if Any	Cost	Market Value

Person completing this step:

Date completed:

Step 2 - Take Stock of the Present (continued)

4. Assets, continued

G. Notes, mortgages owed to you, and accounts receivable

Description/Name of Person Who Owes You	Year Acquired	Value	Other

Person completing this step:

Date completed:

Step 2 - Take Stock of the Present (continued)

5. Liabilities

A. Mortgages and other real estate debt

Description and Account Number	Name of Creditor and Contact Information	Date Due	Amount Remaining to Be Paid and by Whom (You, Spouse, or Joint)?	If Insured, by Whom?

Person completing this step: _____

Date completed: _____

B. Liens against personal property (i.e. vehicle or machinery loans)

Description	Name of Creditor	Date Due	Remaining Amount to Be Paid and by Whom? (You, Spouse, or Joint)	If Insured, by Whom?

Person completing this step: _____

Date completed: _____

Step 2 - Take Stock of the Present (continued)

5. Liabilities, continued

C. Other personal liabilities (credit cards, money owed to others, etc.)

Type	Name of Creditor	Date Due	Amount Remaining to Be Paid	To be Paid by Whom? (You, Spouse, or Joint)	If Insured by, Whom?

Person completing this step:

Date completed:

Step 2 - Take Stock of the Present (continued)

6. Miscellaneous

A. Other financial information

Income	Amount	Other Information
Your current wage income		
Your spouse's wage income		
Your Social Security		
Spouses Social Security		
Business/Farm Income		
Custom work Income		
Veteran's income		

Person completing this step:

Date completed:

B. Gifts that have been made

Description/Given to?	By You, Spouse, or Joint	Amount	When Given and Location of Tax Returns

Person completing this step:

Date completed:

Step 3: Develop Objectives

One of the most important steps in doing an estate plan is to determine your objectives.

What do you want to accomplish? Your objectives may be very different from those of your neighbors or even from other family members. You and your spouse should do this sheet separately. It's important to remember that your objectives may change as you experience changes in your life.

- _____ 1. Provide security for surviving spouse.
- _____ 2. Relieve surviving spouse of estate management responsibilities.
- _____ 3. Provide security for both spouses after retirement.
- _____ 4. Retire at age ____.
- _____ 5. Provide security for an incapacitated family member.
- _____ 6. Assure continuity of farm, ranch, or other business.
- _____ 7. Provide educational opportunities for beneficiaries.
- _____ 8. Assist beneficiaries, including in-laws, to get started in business.
- _____ 9. Minimize federal and state estate or inheritance taxes.
- _____ 10. Name guardians, conservators, or trustees of minor children.
- _____ 11. Name a personal representative for the estate.
- _____ 12. Provide a means for paying expenses of estate settlement, taxes, and other debts.
- _____ 13. Provide equitable (not necessarily equal) treatment of family members.
- _____ 14. Transfer specific property to specific people.
- _____ 15. Make gifts to family members and others during lifetime.
- _____ 16. Reduce income taxes by disposing of income property during life.
- _____ 17. Transfer property during life by installment sale.
- _____ 18. Provide for charitable bequests to favorite charities or organizations.
- _____ 19. Minimize probate and settlement costs.
- _____ 20. Other, _____

There are many ways to accomplish your objectives. No one way will be right for everyone. Your objectives will guide you through each step of the estate planning process.

Person completing this step:

Date completed:

Step 4: Choose Professional Advisors, a Guardian, and a Personal Representative

You will need to choose several advisors. Some of the advisors will be professionals and some will be personal. Think of this step as developing a team of talented players who will help you find the way to reach your goals for your family's well-being. Your team could include:

- An attorney
- A financial planner
- An executor or personal representative
- A trustee
- A guardian
- Others

An attorney

- Ask your friends, accountant, banker, and/or financial planner for suggestions.
- After collecting at least three names, make an appointment with each attorney.
- Ask about their background and experience.
- Are you able to communicate clearly with each attorney?
- Discuss fees. Does the attorney charge by the hour, a flat fee, or a percentage of the estate?
- After your initial visits with the three attorneys, consider how comfortable you would be discussing your situation with the person.
- Would your spouse or children be comfortable working with this person when you are gone?
- Ask the attorney how long it would take him or her to complete the process.

Financial Planner

A financial planner will help you to clarify your objectives and suggest alternatives that should be discussed with your estate planning attorney. The financial planning process consists of six steps:

1. Establishing and defining the client-planner relationship.
2. Gathering client data, including goals.
3. Analyzing and evaluating financial status.
4. Developing and presenting recommendations and/or alternatives.
5. Implementing the financial planning recommendations.
6. Monitoring the recommendations.

Executor or Personal Representative

- An executor makes sure that your wishes are carried out and manages your property until the estate is passed on to your heirs.
- You need to have confidence in the person and know that he or she can be trusted to carry out your wishes.
- According to Steve Weisman, an elder law attorney, two other important qualities for an executor are knowledge of your family and common sense.
- A personal representative is entitled to receive a fee for services. Personal representatives often waive their fee for a family member or good friend. Discuss in advance whether your personal representative will expect to be paid.

Trustee

- A trustee is responsible for the prudent management of a trust's assets in a way to generate income for the beneficiaries and to continue to grow capital.
- He or she must follow state and federal regulations that apply to the trust.
- Desirable qualities for a trustee are investment expertise, integrity, judgment, and the ability to get along with family members.

Guardian

- A guardianship specifies who will have physical custody of your children.
- The first choice for a guardian could be the surviving parent unless death, divorce, or other situations make that choice impossible or undesirable.
- The second choice is a loving member of your immediate family or a loving friend.
- You may want to name a Conservator to handle the decisions about money for the children in addition to the person (Guardian) who has physical custody of the children.

Others

Durable power of attorney

- This is a person you name to be your representative to perform certain actions if you become unable to manage your affairs. For example, the power of attorney could pay bills, sell securities, or make major financial decisions on your behalf.
- Choose someone you trust completely as your power of attorney.

Health care power of attorney

- This is a person you appoint as a representative to act on your behalf in matters affecting health care, including consenting to health care procedures in the event of your incompetency or incapacity.
- This representative's powers do not become effective until you become incapable of consenting to health care.
- This representative needs to know and understand your wishes.

Advisor Checklist

Name	Phone	E-mail	Address
Attorney			
Financial Planner			
Trustee			
Executor/personal representative			
Guardian			
Healthcare power of attorney			
Power of attorney			
Others			

Person completing this step:

Date completed:

Step 5: Consider Alternatives

There might be several ways to accomplish your objectives. Explanations of some of the alternatives are given below.

- Ask your professional advisors to explain the alternatives that would work for you.
- Think about the consequences of each one.
- You will probably want to talk them over with your spouse, family members, or other advisors before making your decisions.

Some issues that you might want to discuss with your advisor include the following:

- How your estate plan affects the estate of your surviving spouse and the amount of estate taxes that he or she will owe upon death.
- How your estate plan will be affected if a named beneficiary dies before you do.

You need to check the laws of the state in which you live. Each state makes its own laws in regard to estate planning.

Before you meet with an advisor, you might want to develop a list of questions to ask about the alternatives that seem to fit your estate planning needs.

This page has information on:

- Property ownership
- Preparing a will
- Using a trust
- Your gross estate
- Insurance
- A living will
- Durable power of attorney
- Health care power of attorney

Make a list of your alternatives with the date reviewed, whether you need more information, whether you need to talk to someone, and if the topic does not apply.

Property Ownership

How your property is titled is important because it affects how a person's property is distributed at death.

Preparing a will

A will is a legal declaration of how a person wants to have his or her property distributed at death.

Using a trust

A trust is a legal arrangement where a person (grantor) transfers legal ownership of property to a trustee to hold and manage for the benefit of named beneficiaries.

We suggest that you discuss trusts with your attorney.

A living will

This is a declaration that you prefer to die a natural death instead of using extraordinary medical treatment to keep you alive.

Topic	Date Reviewed	Need More Information	Need to Talk to Someone	Does Not Apply
Property ownership				
Preparing a will				
Using a trust				
Your gross estate				
Insurance				
A living will				
Durable power of attorney				
Health care power of attorney				
Other				
Other				
Notes				

Person completing this step:

Date completed:

Step 6: Review and Modify

We live in a world of continuous change. Even if you've begun working on an estate plan, you need to remember that things change. The value of your property may change. Your objectives may change. Your beneficiaries may marry, divorce, have children, or die. Tax laws may change. So it's important to plan to review and modify.

First, be sure that you have completed all of the items that you planned to do. Use the checklist to be sure that you didn't forget anything.

Make a list of the actions you need to do

Financial Checkup Checklist:

1. Obtain permission of people I would like to name to represent me in these (estate planning) documents.
 2. Have my will and/or trust drafted or updated.
 3. Carefully read each legal document.
 4. Make a list describing whom I want to receive each of my personal belongings and put it with my will.
 5. Explain to family members that I have a will and tell them its location as well as the location of other important documents.
 6. Give a copy of my will to my executor or personal representative.
 7. Give a copy of my trust to my trustee.
 8. Give a copy of my living will to my attorney, doctor, hospital, and family.
 9. Have a current durable power of attorney for health care and family.
 10. Give a copy of my durable power of attorney for health care to my attorney, doctor, hospital, and family.
 11. Have a current durable power of attorney for financial affairs.
 12. Give a copy of my durable power of attorney for financial affairs to my attorney and all appropriate financial institutions.
 13. Write a letter of farewell to your spouse, children, and other close family members or friends.
- *Financial Checkup Checklist from Jerry Mason's book, Financial Fitness for Life, (1999) published by Dearborn Publishing Company, page 295.*

Second, advisors suggest a review of an estate plan every one to three years, or whenever there is a major change such as a birth, death, marriage, divorce, or tax law change. We suggest that you keep a record beginning with the date that your estate plan was established and listing the date when it was reviewed. For example:

Date estate plan was established:

Date of 1st review or change:

Date of 2nd review or change:

Date of 3rd review or change:

Another suggestion is to continue to add information to this plan. You could include information about changes relating to your home, personal property, family, business, etc.

After considering the alternatives, which of these actions do you need to do?

- _____ Obtain permission of people I would like to name to represent me in these (estate planning) documents.
- _____ Have my will and/or trust drafted or updated.
- _____ Carefully read each legal document.
- _____ Make a list describing whom I want to receive each of my personal belongings and put it with my will.
- _____ Explain to family members that I have a will and tell them its location as well as the location of other important documents.
- _____ Give a copy of my will to my executor or personal representative.
- _____ Give a copy of my trust to my trustee.
- _____ Give a copy of my living will to my attorney, doctor, hospital, and family.
- _____ Have a current durable power of attorney for health care and family.
- _____ Give a copy of my durable power of attorney for health care to my attorney, doctor, hospital, and family.
- _____ Have a current durable power of attorney for financial affairs.
- _____ Give a copy of my durable power of attorney for financial affairs to my attorney and all appropriate financial institutions.
- _____ Write a letter of farewell to your spouse, children, and other close family members or friends.

* *Financial Checkup Checklist* is from Jerry Mason's book, *Financial Fitness for Life*, (1999) published by Dearborn Publishing Company, page 295.

Person completing this step:

Date completed:

Contacts & Credits

It is our hope that you use the Getting Ready for Estate Planning workbook and web site to help you organize your thoughts and information before you see an advisor about an estate plan. Many people avoid estate planning because they think the process will be overwhelming. If you have any questions or comments about this workbook and web site, please feel free to contact either of us. Our names and information are listed below.

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Getting Ready for Estate Planning web site
<http://www2.ces.purdue.edu/estateplanning>

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