The Family Love Letter™: key to the execution of your estate plan

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GE-2320832 (11/18) (Exp. 11/21)
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purpose of estate planning
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Misconceptions:

- Just for the rich
- Just for the old
- Fundamentally about death and taxes

Purpose is to provide a legacy for the living
Two principal elements of estate planning:

- Execute documents that provide for death and/or incapacity
- Provide information relating to your assets, liabilities and wishes
purpose of estate planning

Results of failure to plan:

- Can create confusion, family conflict
- Can lead to dissipation of assets, disposition of property against wishes
- Can cause payment of excess income and estate taxes
Compilation of all the information your family will need at the time of your death, or if you should become incapacitated due to illness or injury

- An inventory with contact information/locations:
  - All your financial papers
  - All your estate papers
  - All your personal papers
- Information at a time of sorrow and confusion
Provide information at a time of confusion:

- Investing and planning are not enough if no one knows about it
- Lack of information adds to distress
- Time searching for contact information, documents
- Unknown policies, accounts can be lost
Information can be organized in four sections:

- Advisors and Financial Information
- Insurance and Benefits
- Documents and Other Information
- Family History and Ethical Will
People, documents/contracts/deeds, locations

- Attorneys, Advisors, Agents, Brokers
  All contact information

- Investment Strategy and Assets
  Investments, retirement accounts, e.g., IRAs, 401(k), Social Security benefits, property, bank accounts, debts owed to you

- Frequent flier miles
  Airline, number, totals as of (date)

- Liabilities
  Loans and financial obligations
  (mortgages, bank or personal loans, leases, liens)

- Credit Card Information
  Card types, numbers, statements, Web info, access info
Insurance and benefits

People, documents/policies, locations, keys, passwords

- All insurance — Life, Health, Disability, LTC, Medicare/Medigap, Property (Home, Auto, etc.)
  - Carriers, policies (# and location), face and cash values
  - Premium amount, how paid, who pays, owner, beneficiaries

- Other Information about Insurance
  - Premium amount and frequency, how paid, who owns policy

- Benefits — Employment & Military
  - Retirement plans, deferred comp, stock, insurance
  - Military pension, survivor benefits
documents and information

For all documents — date signed (if applicable) and location

- **Estate Planning**
  - Will, Property List, Living Will, Powers of Attorney

- **Trust Documents**
  - Insurance, charitable, minors

- **Personal and Family**
  - Birth certificate, citizenship, military discharge, marriage license, divorce decrees, and adoption

- **Property Titles & Deeds**
- **Guardianships, Trustee Information**
- **Business and Personal Tax Returns**
- **Business Ownership, Buy-Sell Agreement**
documents to be created

- Will
- Personal Property Disposal List
- Living Will
- Medical Power of Attorney
- Durable General Power of Attorney
Your will is your final declaration of how your assets — and your family — should be treated after your death.

- Can serve many purposes
  - Providing information about disposition of assets
  - Choosing people to make decisions when you are gone
  - Creating trusts for heirs incapable of managing legacy
  - Providing guardians for minor children
  - Minimizing state and federal estate taxes
  - Reducing state and federal income taxes on heirs
  - Minimizing potential sources of conflict among family members
personal property disposal list

- Directs how personal property should pass
- Details, pictures
- Reference this document in will
- Especially useful for second marriages, mixed families
living will

Declaration that you do not desire life-sustaining treatment when there is no significant hope of recovery

- Eliminates emotional and financial costs to family
- Ensures that the decision is yours
  - Not traumatized family members
  - Not doctors
  - Not hospitals
  - Not courts
medical power of attorney

Grants person of your choice power to make medical decisions for you if you are incapacitated by illness or injury

- Also known as Durable Healthcare Power of Attorney
- Deals with range of medical conditions and treatment
- Can be used in conjunction with Medical Directive created by you
durable general power of attorney

Grants person of your choice power to manage your assets in the event of your incapacity due to illness or injury

- Detailed language needed to assure authority in all desired areas
- Specify triggering event
general information

- Safes, safe deposits — keys, combinations, access information
- Passwords for computer, e-mail, internet accounts
- Social Security number
- Driver’s license
- Passport #
- Medicare information
- Religious and other affiliations
in the event of

My incapacity…

- Living will
- Medical directive
- Powers of attorney
- Guardianships
- Details of intentions

My death…

- Organ donation
- Burial/cremation
- Service details — Minister/Rabbi, readings, pallbearers
- Obituary, tombstone, in lieu of flowers
- Care of pets
- Other special requests
family history and ethical will

Personal statement for the next generation

- Not about what’s in your bank account or portfolio
- About what’s in your heart — intangibles
- Legacy of values
After the creation of the document

- List attachments (e.g., ethical will, family info), who has copies
- Placement of document
- Family meeting — forum to discuss contents — advisor(s) present
Compiling this information can reveal gaps:

- **Missing documentation**
- **Need to expand investments, coverage**

Discussing this information can:

- **Help family prepare for future events**
- **Create a more open atmosphere about family plans, needs and goals**
Thank you