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ESTATE PLANNING

WHAT IS ESTATE PLANNING?

It is *not* simply writing a Will

It *is* planning and arranging your affairs and assets to achieve your goals

Goals and, therefore, plans change with circumstances

Planning is an ongoing process

THE FIRST STEP IS TO IDENTIFY YOUR GOALS

Goals must be based upon your unique circumstances; they may include simplicity, certainty and privacy; some examples:

- You may need to provide for dependent family members;
- You may wish to minimize taxes;
- You may be concerned about your affairs if you are ill;
- You can make decisions concerning illness or funeral;
- You can pass specific items to specific heirs and divide your assets fairly, according to your wishes;
- You should be thinking about avoiding the Court probate process.

THE SECOND STEP IS TO IDENTIFY YOUR ASSETS

You should make a list of your assets, exact ownership, and their location.

Many assets pass by naming a beneficiary or a joint ownership arrangement, and thus avoid the Will; you should think about how each asset will pass to your beneficiaries and plan to avoid probate wherever it is easy.

Your Executor will need to know how to find your assets; a list will reduce uncertainty.

WHY WRITE A WILL?

Transmit property to beneficiaries you choose

Specific items

Of sentimental value

To accomplish certain goals

Assets to one beneficiary or to certain beneficiaries in set proportions

Provide for minor children

Place assets in trust

Name a Guardian

Appoint an Executor

Choose the one you want

Avoid bond requirement

Arrange beneficial tax consequences

Minimize responsibilities of adult children

Provide funeral instructions

WHAT OTHER DOCUMENTS MIGHT YOU NEED?

Living Trust

- Provide for minors, incompetent dependents
- Manage your own assets in the event of your incapacity
- Allow other family members to make gifts to minors
- Protect assets from depletion
- Maintain privacy of arrangements and avoid probate

Power of Attorney for Business Affairs: "General and Durable"

- Allows another person to act in addition to yourself
- Do not assume that your spouse can do everything needed without one
- In case of incapacity, incompetence, absence
- You may control the document until it's needed

Power of Attorney for Health Care Decisions

- Allows another person, or alternate, make decisions about your health care, but only if you are unable to decide
- You may indicate your wishes and limit the power

Living Will

- Directs doctors to withhold life support or tube feeding
- Effective upon terminal illness or coma
- Minimize family and doctor responsibility
- Method for discussing issues with doctor and family

Organ donor card

OTHER ESTATE PLANNING ISSUES--THINGS TO KNOW

Life Insurance

Insurance should be paid to named beneficiaries to avoid probate; it would not go to those in your will unless all your beneficiaries are deceased.

Joint ownership of real estate and bank accounts

If someone is on the deed or the signature card, they may have a survivorship interest; this is a good way to keep these items out of probate.

Pension plan

- You should name beneficiaries and alternates;
- Your Will will not, and should not, affect who receives these assets.

Divorce

Property rights at divorce are different from inheritance rights of spouses

Lifetime transfers (Gifts)

- There are major tax consequences
- You must be careful about timing and type of transfers