



Estate Planning

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OVERVIEW OF THE FINANCIAL CAREGIVING SERIES

The publications in this series are based on research conducted with adult child caregivers and caregiving professionals. The series provides practical insights and strategies for adult children (and other family members or friends) who are concerned about or caring for their aging, ill, or disabled loved ones. Financial caregiving tasks are organized and prioritized for caregivers according to three possible scenarios: when there is time to plan, when you observe that some assistance may be needed, and when there is a crisis. Caregiver resources include step-by-step implementation plans, consumer checklists, worksheets, and locations for finding more information. The series contains seven publications:

1. *Introduction to Financial Caregiving and Glossary* (Publication 8379)
2. *Communicating with Your Parents about Finances* (Publication 8380)
3. *Getting Organized: Bill Paying and Record Keeping* (Publication 8381)
4. *Understanding Long-Term Care* (Publication 8382)
5. *Planning and Paying for Long-Term Care* (Publication 8383)
6. *Estate Planning* (Publication 8384)
7. *Financial Fraud and Abuse* (Publication 8385)

The information presented in the *Financial Caregiving Series* is for general educational purposes only and is not intended to substitute for professional advice regarding legal, tax, or financial-planning matters.

ESTATE PLANNING

Who will make financial and medical decisions for your parents if they are incapacitated and can't express their preferences? What kind of medical treatments do your parents want to receive—or avoid—if they become critically ill? Who will inherit their property and personal possessions when they die? Estate planning involves thinking about these questions, making decisions, completing



certain legal documents, then communicating with family members about one's wishes and where the relevant documents are kept (AARP 2007).

Importance of Estate Planning

If your parents want to retain control over their lives and determine what happens to their assets and personal belongings after they die, they must develop an estate plan and let family know about their plans.

Benefits of Estate Planning

Although talking about issues related to death and dying is difficult and may be uncomfortable, there are good reasons to plan ahead. If your family understands the financial and legal issues involved, you can help your parents protect their assets during their lifetime and make sure their assets and personal belongings are distributed after their death according to their wishes. It can help avoid crisis decision making, reduce the likelihood of future financial problems, and reduce the potential of family conflict and long-lasting emotional scars. Advance planning decreases the possibility that family will have to take court action seeking guardianship or conservatorship in order to care for their parents (Goetting and Schmall 2003). Planning ahead can give both you and your parents' peace of mind.

COMPONENTS OF AN ESTATE PLAN

Some mistakenly believe that an *estate plan* is a single document with a standardized format drawn up by an attorney. It's not. An estate plan is an individual plan based on a person's unique financial and life circumstances (Russell and Ulrich 2007). Your parents' estate plan may be simple or complex, depending on their situation and preferences. A complete estate plan typically includes four documents (FPA 2009):

1. will
2. durable power of attorney for finances (DPA)
3. health-care power of attorney (HCPA)
4. living will

In addition, some people write a *letter of last instructions* to guide the family after their death. Large, more complex estates may require additional tools such as trusts.

The American Bar Association (ABA) suggests preparing the DPA, HCPA, and living will all at one time to be sure they are compatible. Some

states combine the health-care power of attorney and the living will in one document called an Advance Directive for Health Care (often referred to as an *advance directive*) (ABA 2004b).

Wills

A will is a legal document instructing what is to be done with a person's money, property, and possessions when they die. The simplest way for your parents to ensure that their funds, property, and personal belongings will be distributed according to their wishes after their death is to prepare a will. A will ensures that whatever assets they have will be given to family members or other beneficiaries of their choosing. Wills are not just for the rich. The amount of property your parents have is irrelevant.

Although wills are simple to create, about half of all Americans die without one. If your parents die *intestate* (without a will), their property will be divided and distributed according to state laws which may not coincide with their wishes (ABA 2004b). For example, the state will not set aside money to pay for their grandchild's college education, automatically provide money to care for a dependent adult child, or give money or assets to your parents' favorite charities or faith group. If a person has no apparent heirs and dies without a will, it's even possible that the state may claim their assets.

Experts recommend keeping the signed original wills in a safe place, such as your parents' attorney's office or a safe deposit box at their bank. Since these locations may not be immediately accessible upon death, it is a good idea to keep a copy of their wills at home and let other family members know where the copies are kept. Since relationships and financial circumstances change over time, it is important to periodi-

Video Wills

Some people make a video in which they read their will and explain why certain gifts were made and others were not made. The video recording might also show the execution of the will. If a disgruntled relative decides to challenge the will, the recording can provide proof that the person making the will was mentally competent and observed the appropriate legal formalities. Before making such a video, your parents should consult a lawyer to find out about their state's laws regarding video wills. Generally, a video will supplements a written will, rather than replacing it (ABA 2004a).





cally review and update their wills. As long as your parents remain mentally competent, they can change or revoke their wills any time. One way to change a will is to revoke the will and make an entirely new will. Another way is to make a *codicil* (a supplement) that must be signed and witnessed just like the will itself. Marking out or adding words to a will is not an effective way to change it.

What a Will Does Not Do

A will may not cover everything your parents own. Certain property (referred to as nonprobate property) is passed on to beneficiaries apart from a will. Nonprobate property includes the following:

- **Life insurance and annuities.** Money from a life insurance policy or an annuity goes to the person named as a beneficiary on the policy.
- **Retirement plans.** Money from a retirement plan is paid to the beneficiary named in the plan. This includes pension plans, 401(k) and 403(b) accounts, individual retirement accounts (IRAs), and others.
- **Property owned as a joint tenant with right of survivorship.** If your parent(s) own real estate, cars, bank accounts, or other property with someone else as a joint tenant with right of survivorship, the co-owner inherits your parent's share when your parent dies.
- **Living trust.** Any property that your parents place in a living trust during their lifetime passes according to the trust. Often it goes to your parents' beneficiaries when the trust ends.
- **A spouse's half of community property.** In community property states (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin) real estate and possessions acquired during marriage are owned equally by each spouse. One parent's will distributes only his or her half of the community property. However, it may dispose of all property that he or she brought into the marriage, along with gifts and inheritances received individually.
- **Transfer on death or payable on death accounts.** Some bank and security accounts may be held with a beneficiary designation such as *transfer on death (TOD)*. Other assets, such as U.S. savings bonds, may be held in a form directing those assets to be *paid on death (POD)* to a named beneficiary.

As part of their estate planning, it is a good idea for your parents to review and update the beneficiary designations for all of their nonprobate property.

"I would say, make sure you have a really good accountant and attorney that can help you, and take advantage of the resources that are around you. And it is my understanding that [the local social services agency] has lists of people who will give you free consultations. Get good guidance, because even if it costs you a little money, it will save you a lot of heartache and probably a lot of money in the long run."

—Caregiver, emphasizing the importance of getting professional assistance

Planning for Physical or Mental Incapacity

Although no one likes to think about the possibility, there may come a time when one or both of your parents cannot handle their own financial affairs, such as banking, bill paying, or managing their investments, because they are too ill or they are cognitively impaired. They may also reach a point in their lives—either temporarily or permanently—when they aren't able to make their own decisions about their health care. Who do they want to handle their affairs and make these decisions on their behalf? There are several tools your parents can use to designate someone to make decisions for them in the event that they are not able to make those decisions for themselves.

Durable Power of Attorney for Finances (DPA)

This legal document gives another person (commonly referred to as an *agent* or *attorney-in-fact*) the authority to act on your parent's behalf in financial matters (while they are alive). The agent can take care of tasks such as paying your parents' bills, withdrawing money from their bank accounts, managing their investments, making stock and bond transactions, handling tax matters, or selling their home or other real estate. The agent can conduct any financial matters a person could do for themselves if the individual granting the authority becomes mentally or physically incompetent. The DPA stays in effect until the holder cancels it or dies.

It is essential for your parents to set up powers of attorney before needing it. As a legal matter, a power of attorney cannot be enacted by a person who is mentally incompetent. If your parents become mentally incapacitated without this important legal document, no other family members can access your parents' assets. Instead, you must go to court and obtain a *conservatorship* before you



can make financial decisions for them. This process is time consuming, costly, and can be emotionally draining. While you are waiting for court action you may have to find other resources to pay for your parent's expenses until you can access their money.

Health-Care Power of Attorney (HCPA)

A health-care power of attorney, sometimes called a *health-care proxy*, a *health-care surrogate*, or a *durable medical power of attorney*, is a legal document your parents can use to give someone permission to make medical decisions for them if they are unable to make those decisions themselves. Most commonly, the need for a HCPA occurs either because a person is unconscious or because their mental state is such that they do not have the legal capacity to make their own decisions (ABA 2004b).

Your parents can select anyone they wish to be their health-care proxy. The agent does not have to be a spouse or family member. This is an important decision, and there are certain issues your parents should consider when selecting an agent(s):

- Do they have complete trust in the proposed agent?
- Does the proposed agent live nearby?
- Does the agent have religious or other beliefs that would prevent him or her from carrying out an advance directive as instructed?
- Is the agent in good health?
- Can the agent withstand pressure from family and friends?
- Has the proposed agent consented to the responsibilities?
- Will the proposed agent benefit from the estate or will?
- Will the agent be a strong advocate with medical providers?

State laws vary, but if a person has not appointed a health-care proxy, medical care decisions generally default to the spouse. If there is no surviving spouse, the medical decisions can default to the state. Some states have *family consent laws* that permit other family members to make certain kinds of health-care decisions for their relative. But in most states, no one—not even a spouse—has an automatic right to make most decisions on behalf of their loved one (ABA Commission on Law and Aging 2004).

Guide for Health-Care Proxies

The American Bar Association offers a 3-page consumer guide for those who have to make medical decisions for others. Topics include: duties of a proxy, how to make medical decisions, how to obtain good care for the patient, and steps to follow. It is written in an easy-to-understand style without legalese. See “Consumer’s Toolkit for Health Care Advance Planning, Tool #9” on the ABA Web site at http://www.abanet.org/aging/publications/docs/consumer_tool_kit_bk.pdf.

Living Wills

Your parents can prepare living wills to indicate their wishes about end-of-life care. Encourage them to make plans while they can. No one wants to think about the possibility of incapacitation. But it could happen without warning due to a stroke, heart attack, or even a car accident. Then your parents couldn't make these decisions for themselves and would have to give up control of their health care.

A *living will* is a legal document that specifies the types of medical treatments and life-sustaining measures that a person does and does not want. Living wills were traditionally limited to stating the desire not to receive life-sustaining treatment for terminal illness or permanent unconsciousness (coma). However, many people use living wills to specify types of treatment that they want, such as nutrition, hydration, and pain control.

Advance Health-Care Directives

In some states your parents may have the option to use advance health-care directives that combine a living will and health-care power of attorney in one

U.S. Living Will Registry

The U.S. Living Will Registry is a privately owned nationwide service that electronically stores individuals' advance directives and makes them available 24 hours a day to health-care providers across the country. Your parents can register directly online or through a member health-care provider. Contact the Registry online at the U.S. Living Will Registry Web site (<http://www.uslivingwillregistry.com>) or call 1-800-548-9455.

“Health-care power of attorney and living will documents were provided by the hospital, which we filled out at home.”

—Caregiver, explaining how advance directives were prepared

document. Advance directives include directions about health care in any situation in which a person is unable to make their own decisions (not just in the event of a coma or terminal illness). When preparing their advance directives, your parents should consider issues such as resuscitation, mechanical ventilation, nutritional and hydration assistance, dialysis, any treatments in the end stages of life that might delay imminent death, and organ donation. They can specify the treatments they want as well as those they don't want. It is also a good idea to select alternate proxies in case their chosen agent is not available when needed (for example, if the proxy is out of town on a business trip) (ABA 2004a).

There are several ways to write an advance directive. Your parents can use a form provided by their doctor or hospital, write their wishes down by themselves, call the local department or state department on aging to get a form, meet with an attorney, or use a computer software package for legal documents (American Academy of Family Physicians 2000). When the forms are complete, your parents can make copies, give them to their designated health-care proxies, doctors, and other friends and family members. These forms need to be accessible during a crisis to those who are closest to your parents.

Each state has its own laws for advance directives, so your parents will want to obtain the appropriate form for the state where they live. If your parents spend a lot of their time in two states, they might consider advance directives for each state.

As with wills, advance directives should be reviewed periodically to confirm that the documents represent their current thinking on end-of-life issues. They can revise or change their advance directives at any time by filling out a new form. If there is no time to fill out a new form, they can cancel their directive by telling their doctor and family members.

If your parents need you to make health decisions or financial transactions on their behalf but have not designated a POA or HCPA, it may be necessary to go through legal procedures so they can be declared wards of the state and have a guardian or conservator appointed for them. A *guardian* makes decisions about the ward's life, health, and well being. If the ward owns real estate or has a substantial amount of money or property, the judge will generally appoint a *conservator* to make decisions about the ward's money and property. The same person can be both guardian and conservator or there may be a different person for each responsibility.

Letter of Last Instructions

In addition to the estate-planning tools described, your parents can write a *letter of last instructions* to be given to the family immediately after they die. The purpose is to give family members the information they will need about the deceased's personal and financial matters. A typical letter of last instruction includes information such as who to notify, details about funeral arrangements that have already been made, personal preferences regarding a service and burial, and the location of personal and financial records, etc.

Steps in Estate Planning

Sometimes people put off estate planning because they don't know how or where to start. You and your parents may find the task easier if you break it down into six steps (Bechman and DeVaney 2004; Pankow and Howard 2003).

1. Initiate the discussion about estate planning

For some families, this is the hardest step. Many are reluctant to discuss potentially unpleasant issues such as those surrounding the possible incapacity or eventual death of a loved one. Parents may want to avoid any discussion of growing old or dying. Some adult children avoid bringing up the topic of estate planning because they don't want to upset their parents, they are afraid of appearing overly interested in their inheritance, or they don't want to appear as if they are trying to take over their parents' affairs. For ideas about how to start a discussion about sensitive topics, see Part Two of the Financial Caregiving Series, *Communicating with Your Parents about Finances*.





“...[I] found a financial advisor who specializes in retirement issues. [I] went with Dad and was able to help him understand the issues and...make decision[s]...”

—Caregiver, describing how he assisted his father with estate planning

Once you and your parents have talked about estate planning (or some aspect of estate planning) for the first time, it may become easier to discuss your family’s situation, concerns, and objectives. No doubt, there will be difficult decisions to make. However, the alternative is letting someone else decide (usually state law or a court-appointed surrogate) and giving up control over their end-of-life health decisions and the distribution of family assets after they are deceased.

2. Review the present financial situation

Next, your parents need to review their present financial status: what do they own and what do they owe? This step provides the foundation for their estate plan. It involves collecting and organizing important financial information. Your parents will need to identify all their assets, estimate the value of each, and verify how property ownership is held (such as sole ownership or joint ownership). In some cases, they may need a professional appraisal of certain assets such as the market value of the home they have owned for many years, art, jewelry, or antiques. They must also identify all outstanding debts and how much they owe on each obligation. This includes a home mortgage, a home equity loan(s), car loans, credit card debt, and installment contracts (Bechman and DeVaney 2004).

Effective planning requires complete, accurate information. For a step-by-step approach to gathering information and thinking through important estate-planning issues, see *Getting Ready for Estate Planning* (described in the Resource list at the end of this publication). Step 2 in this resource contains forms your parents can use to organize and record the information. Appendix A contains a checklist that your parents can use to identify the information they need for developing their estate plan.

3. Develop objectives for the estate plan

What do your parents want to accomplish through their estate plan? Estate-planning objectives vary among families due to differences in their values, their assets and liabilities, and the ages and abilities of survivors. Your parents may want to provide financial security in the case of a surviving spouse or an incapacitated family member, minimize estate or inheritance taxes, transfer specific property to various family members or others, or leave gifts to favorite charities or other organizations such as schools or religious groups.

Your parents’ estate-planning objectives may change over time, and require changes in their estate plans. Objectives change for a number of reasons, such as changes in the age or marital status of beneficiaries, significant increases or decreases in income, the kind of property your parents own and the value of their property, and changes in their life circumstances, such as needing expensive long-term care.

4. Choose professional advisors and discuss objectives

Estate planning can be technical and complex, and laws change frequently. Your parents may want to consult an estate-planning professional, such as an attorney, accountant, financial planner, or trust officer, for advice or services. However, professionals may have differing opinions. Encourage your parents to become as knowledgeable as possible about their financial situation, and learn about various estate-planning tools, alternatives, and consequences. They should ask questions of any advisor they consult, and insist on understanding the estate plan and its implications.

Choosing an Investment Advisor

Carefully check out the credentials of any investment advisor who claims to be a *senior specialist*. Some salespeople use this term to describe themselves, implying that they have special training and expertise on issues pertaining to the elderly, when the only training they have is about marketing and selling techniques that target the elderly (North American Securities Administrators Association 2005).

5. Consider alternatives and implement the plan

There may be more than one way for your parents to achieve their estate-planning goals. Help them investigate the different ways to avoid probate, reduce or eliminate inheritance taxes, distribute their savings and assets either during their lifetime or after they are deceased, designate powers of attorney, or specify wishes regarding end-of-life care. Any professional advisor(s) they consult can explain their options and the possible consequences of each.

If your parents are willing, you and other family members can help them decide who will receive what, when, and how during their lifetime or after they are deceased. This input could be invaluable since your parents' assumptions about what their children (or others) need and want from them may be outdated or incorrect. For example, your parents may not know about your sentimental attachment to a rocking chair or handmade quilt. They may assume that no one would be interested in Dad's old tools or that everyone will believe their savings should be divided equally among all siblings. One child may believe that your parents promised them sole ownership of the family business, when that is not the case. Or, your parents may assume that if they leave their home to one sibling, he or she will keep it in the family rather than selling it and distributing the profits. They might plan to leave a family cabin to a son or daughter who has little or no interest in carrying on the family tradition of summer vacations there or who would find the property maintenance bothersome.

Once an estate plan for your parents is formulated, it is important to take the necessary steps to implement it, such as legally designating powers of attorney, writing and executing their wills, preparing advance directives, and giving copies to their health-care providers and family. Otherwise the time, energy, and money involved in the previous steps may have been wasted. Most importantly, if they do not implement their estate plan, they ultimately relinquish control over their health-care decisions toward the end of life and the distribution of their assets after they die.

6. Review the plan regularly and modify as needed

Estate planning is not a one-time event. Life and financial circumstances change and it is important

Funerals: Pre-Need Planning

Some people see funeral planning as an extension of estate planning, and an increasing number of people are planning their own funerals to relieve their families of some of these decisions. Some make decisions about arrangements in advance—the type of service, where it is to be held, special music or other elements to include in a service, and where to be buried, entombed, or scattered—but do not prepay, since providers, prices, and circumstances (such as marital status) may change over time. As an alternative to prepaying, some people set up a special savings account to pay for expenses.

that your parents periodically review and update their estate plan to assure that information and designations are still correct and appropriate.

Some people decide to review their estate plan every year at a certain time, such as when they file their taxes or on their birthday. Even if your parents have not experienced major changes in their life circumstances, advisors suggest reviewing an estate plan at least every two or three years or in the following circumstances: if there is a divorce or remarriage in the family; they move to a different state; their appointed agent(s) moves, passes away, or is no longer appropriate; or if there is a major change in estate laws.

WHERE TO BEGIN

When There Is Time to Plan

Talking to your parents about death and end-of-life procedures can be difficult. However, advance planning can help avoid crisis decision making that is emotionally difficult, and may reduce disagreements among siblings about how assets and medical care should be handled. Advance planning decreases the possibility that your family will have to engage in more intrusive activities, such as taking court action to seek guardianship or conservatorship.

- Store financial records, documents, and information about their safe deposit box in one place.
- Suggest that they meet with a trusted advisor(s) to plan for their financial future, including designating powers of attorney for finances, and writing or updating their wills.
- Discuss the need for advance directives specifying your parents' wishes for end-of-life medical treatment. If they have living wills or medical



POA, make sure the directives reflect their current wishes for treatment. Update as necessary.

- Encourage your parents to review and, if necessary, update their beneficiary information for life insurance, annuities, retirement accounts, and pension plans, if relevant.

When Your Parents May Need Some Assistance

If you begin to see changes in your parents' behavior or medical condition, there are several steps to take:

- Help them gather and organize all of their financial and legal documents and put them in order.
- Ask their doctor to assess the situation and make recommendations for any necessary changes in medical care and/or living arrangements.
- Encourage them to develop or update their estate plan, including their wills, durable powers of attorney for finances, and health-care directives.
- Discuss the possibility of having your name (or that of another family member) added to their banking accounts to pay bills and make deposits if they are unable to.

When There Is a Crisis

If your parents experience a crisis such as a potentially life-threatening medical emergency or mental incapacity (temporary or permanent), any or all of the following actions may be necessary:

- Encourage them to develop or update their estate plan, including their wills, durable powers of attorney for finances, and health-care directives.
- Discuss the possibility of having your name (or that of another family member) added to their banking accounts to pay bills and make deposits if they are unable to.
- Determine your parents' prognosis and the services and supports they will need.
- Find your parents' financial information and documents and put them all together in one location.
- Carefully review their health-care plan or insurance and identify any assets they have to cover their immediate expenses.
- Gather siblings (and other family or friends, if appropriate) to discuss care options, develop

a plan for their health-care needs, and plan for financial management.

- Decide who will pay bills and manage debt if your parents are not able to.

Losing a Parent

Although you may be overwhelmed with grief and want to leave administrative matters for a later day, there are some notifications and legal steps that should not be postponed.

- Make funeral and burial arrangements.
- Obtain 10 to 12 copies of the death certificate.
- Gather relevant documents, such as the will; trusts; stock, bank account, and annuity statements; and insurance policies.
- Contact the Social Security Administration (if the deceased was an eligible recipient or receiving benefits).
- Send a notification and death certificate to the director of public health services (if the deceased was a Medicaid recipient) within 90 days after the death.
- Notify any life insurance companies of the death.
- Contact the trustee of any trust and/or the attorney who prepared it.
- Contact the executor of the will and/or the attorney who prepared it.
- Call the administrator of the decedent's pension plan.
- Notify the decedent's banks and financial institutions.
- Contact credit card companies.
- Be sure that insurance or Medicaid claims have been processed before paying any medical bills.

(Flaherty 2009)



RESOURCES FOR ESTATE PLANNING

Advance Directives

The Consumer's Toolkit for Healthcare Advance Planning. This online toolkit, published by the American Bar Association (ABA), is designed to help someone in the process of thinking through the issues surrounding end-of-life health care. It contains 10 self-help worksheets, suggestions, and resources. The tool kit helps consumers discover, clarify, and communicate what is important to them in the face of serious illness. It does not create a formal advance directive. ABA Web site, <http://www.abanet.org/aging/toolkit>.

Five Wishes® 2007. This is an easy-to-use legal document that individuals can use to plan how they want to be cared for in case they become seriously ill. It looks at a person's medical, personal, emotional, and spiritual needs. The document is legally valid in 40 states. Purchase and download Five Wishes at the Aging with Dignity Web site, www.agingwithdignity.org.

Advance Directives for Your State. Caring Connections, a program of the National Hospice and Palliative Care Organization, offers free, state-specific advance directive forms and advice for communicating wishes to family and friends. Caring Connections Web site, <http://www.caringinfo.org>.

Estate Planning

AARP Estate-Planning Guide: Who Can Help You? The "Money and Work" section of the AARP Web site offers several articles about finding and hiring estate-planning professionals. It includes information about the types of professionals who can advise and assist families, and how to find qualified professionals. AARP Web site, http://www.aarp.org/money/financial_planning.

Getting Ready for Estate Planning. The purpose of this site is to help individuals organize their thoughts and financial information before seeing an advisor about an estate plan. It recommends a 6-step approach to gathering information and thinking through important issues and decisions about one's estate. The Web site has downloadable worksheets, useful articles, and resource links. See the Purdue University Cooperative Extension Service Web site, www.ces.purdue.edu/estateplanning.

Wills and Transferring Personal Property

ABA Guide to Wills and Estates. The American Bar Association guide is written for consumers and avoids legalese. The chapter about wills includes a description of seven essentials for a valid will, alternative approaches to preparing a will, and how to write a will. See "Public Resources—Legal Topics" at the ABA Web site, www.abanet.org.

Who Gets Grandma's Yellow Plate: A Guide to Passing on Personal Belongings. Everyone has personal belongings such as wedding photographs, a baseball glove, or a yellow pie plate that contain meaning for them and for other family members. Planning to pass on such items can be challenging and may lead to family conflict. This Web site and a book by the same name provide practical information about the transfer of personal property within families. University of Minnesota Extension Web site, <http://www.yellowpieplate.umn.edu/>.

Other Useful Information

Preparing a Letter of Last Instructions. This site describes the information typically included in a letter of last instruction. University of Florida Extension Web site, <http://edis.ifas.ufl.edu/FY537>.

Final Details: What to Do When Someone Dies. The AARP Web site has a collection of helpful articles about the financial and legal steps to take after a loved one dies. It includes a checklist for the first year, documents to be collected, how to claim survivor benefits, and a list of the most urgent financial and legal decisions. See "Family, Home and Legal," then "Grief and Loss" at the AARP Web site, www.aarp.org.



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APPENDIX A: GETTING READY FOR ESTATE PLANNING: WHAT MY ATTORNEY SHOULD KNOW

Time and money can be saved by having necessary information and documents in hand for that first visit with your attorney and other estate-planning professionals. This checklist is a condensed summary of some of the legal information your attorney will require. Actual documents may also be needed such as wills, deeds, major debt instruments, past gift tax returns, income tax returns and financial statements for the past five years, trust instruments, information about the income tax basis of property, and any other documents that will clarify how property is titled or who would be responsible for a debt.

- ___ 1. **Personal information:** family members' names, birth dates, addresses, occupations, Social Security numbers.
- ___ 2. **Real estate:** type of property and size, location and description, year acquired, cost, how titled, market value.
- ___ 3. **Personal property:** motor vehicles, machinery, livestock, crop inventory, home furnishing, jewelry, art, antiques, personal items. Provide a description that includes cost, value, ownership, how titled.
- ___ 4. **Checking and savings accounts:** name of institution and location, exact names on accounts, amounts, how titled on signature card, number of each account.
- ___ 5. **Stocks, bonds, and other securities:** description, when purchased, number, exact name of owner, face value, costs.
- ___ 6. **Life insurance:** company and address, policy number, face amount and any supplemental values, cash value and any outstanding policy loan, exact name of owner, name of insured, beneficiary.
- ___ 7. **Trusts:** type, location, trustee, who established, exact name of beneficiary, value of trust property.
- ___ 8. **Notes, mortgages, and other accounts receivable:** description, year acquired, value, person who owes you, repayment plan.
- ___ 9. **Mortgages and other real estate debts:** description, name of creditor, date due and amount remaining to be paid, whether debt is an individual or joint responsibility, whether insured.
- ___ 10. **Liens against personal property:** description, name of creditor, date due, remaining amount to be paid, whether debt is an individual or joint responsibility, whether insured.
- ___ 11. **Other personal liabilities:** unsecured notes, notes endorsed, real estate taxes, personal property taxes, state taxes, federal taxes, unsettled claims, name of creditor, date due and amount remaining to be paid, whether debt is an individual or joint responsibility, whether insured.
- ___ 12. **Retirement benefits:** pensions, profit sharing, deferred compensation, individual retirement accounts, Social Security, qualified domestic relations orders, amount invested, accrued benefits, annual benefits, death benefits.
- ___ 13. **Other financial information:** income last year, current income, salary, qualified domestic relations orders, retirement income, annuities, rents, interest, bonuses, dividends, trust, capital gains.
- ___ 14. **Taxable gifts:** amounts, when made.
- ___ 15. **Location of important documents:** all wills, trust documents, deeds, insurance policies, stocks and bonds, financial statements, income tax returns for last five years, gift tax returns, contracts, partnerships and corporation agreements, profit-sharing plans, marriage dissolution decrees, pre- and post-nuptial agreements, employment contracts, pension benefits.

Source: Goetting 2005.





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