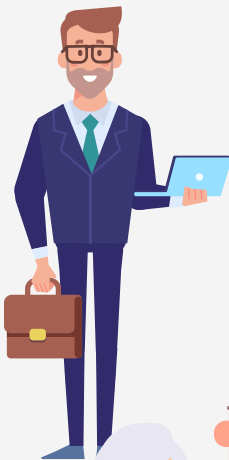


# 5-STEP MODERN ESTATE PLANNING PROCESS™

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*see last page for details*



# Planning for Your Life and Beyond

*Many people work more than 40 years to accumulate assets, spend 10 to 20 years conserving that accumulation, and often take less than two hours to plan for their assets' distribution.*

*The legacy of love and care that you leave for your family and friends can be encouraging and even inspiring through proper planning. A remarkable chapter in the book of your life can be completed. However, with little planning or no planning at all, the last chapter is often burdensome for loved ones and fiduciaries.*

This guide is designed to help you move forward with a plan that writes an excellent chapter in the book of your life. You will learn about the 5-Step Modern Estate Planning Process™ to make well informed decisions and

use [www.My-EstatePlans.com](http://www.My-EstatePlans.com) as a powerful resource in your planning. It is designed to encourage you to think about how you want your assets to be distributed at death and help you gather the information your attorney will need.

# Why is the 5-Step Modern Estate Planning Process™ Necessary?



**What is modern estate planning, and why is it so important?** For most families, estate planning hasn't been about estate tax planning for nearly two decades. Today only about 35% of American families are comprised of a heterosexual married couple with children. Over 50% of US families are remarried or re-coupled. Blended families are common and civil unions are growing. Thus becoming the modern family and the modern estate plan due to many of the variables listed below.



**Incapacity Planning:** As life expectancies have increased with medical advances, a much higher likelihood of facing a prolonged phase of incapacity during our lifetime exists.



**Digital Planning:** Today, a decedent's fiduciaries must have access to online accounts to close social media accounts, cancel online subscriptions and delete emails and other content.



**Maximizing Retirement Accounts:** This planning can include exploring ways to reduce taxable income during retirement and passing down such accounts to beneficiaries in the most tax efficient way.



**Asset Protection:** Asset Protection may include various planning goals such as protecting assets from taxes, long-term care costs, lawsuits, creditors, divorce, and more.



**Evolution of Assets:** Modern asset types require modern estate plans, for example: 401(k)'s, Roth IRA's, 529 plans, donor-advised funds and life insurance. Most of these "modern" asset types have only been created over the past few decades and typically transfer to beneficiaries outside of a last will and testament.



**Legacy Planning:** Estate planning is something you do when you reach self-actualization and understand the power of leaving more than wealth behind. Your legacy plans might include establishing education funding for your grandchildren or supporting your most important charitable organizations.

# 5-STEP MODERN ESTATE PLANNING PROCESS™



## STEP 1: ASSESS COMPLETE THE 15-MINUTE ESTATE ASSESSMENT™

Your evaluation drives the estate planning conversation when you meet with your attorney. This step helps you map out the rest of your planning and the reasons why an estate planning attorney is necessary.

*Take the assessment now:*



## STEP 2: DRAFT AND REVIEW YOUR DISPOSITIVE DOCUMENTS

Select an Executor, Trustee, Power of Attorney Agent, and Your "Digital" Executor. The Willpower App™ provides sample estate documents to review with your attorney.

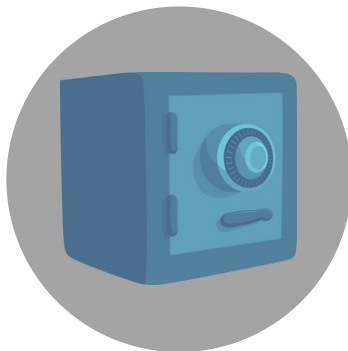


## STEP 3: IMPLEMENT AND SIGN

Retitle your assets and beneficiary designations to match your estate plan. Consult with your attorney and other advisors to sign your estate documents.

## STEP 4: INSTRUCT COMPLETE *DIRECTION MEMO*™ (LETTER OF INSTRUCTIONS)

A LOI adds tremendous value to your estate plans, such as investment decisions, tangible personal property disposition, your final arrangements, and "Ethical" Will.



## STEP 5: STORE CREATE A PHYSICAL AND DIGITAL LIST FOR ALL YOUR DOCUMENTS

Create a hard copy binder and a digital e-Vault for your important documents. Appoint an "Estate Delegate" to access your digital vault included in your My-EstatePlans membership





Get started today by completing Step 1 and review the results with an attorney, your spouse, and other loved ones.



# Step 1: Complete the 15-Minute Estate Assessment™

This is not a test, there are no wrong answers and it is not necessary to write long answers or utilize impeccable grammar.

If you are married, each spouse should complete the 15-Minute Estate Assessment™ individually without comparing answers. Your advisors will be interested in gaining each of your perspectives and helping integrate your separate ideas into one cohesive plan.



# Step 2:

## Meet with Your Attorney to Draft & Review Your Dispositive Documents

*A will or a trust may sound complicated or expensive—something only rich people have. That is an incorrect assessment. A will or trust should be one of the main components of every estate plan, even if you don't have substantial assets. Wills ensure the property is distributed according to an individual's wishes when drafted according to state laws. Some trusts help limit estate taxes or legal challenges. However, merely having a will or trust isn't enough. The wording of the document is critically important.*

**Last Will and Testament:** The Last Will is a legal document that allows individuals to designate who their estate beneficiaries will be and exactly what assets they will receive. The most notable aspect of the Last Will is that it designates an executor, usually a trusted individual, to oversee the will and estate division implementation.

**Living Will:** A frequently overlooked element of estate planning is providing instructions for loved ones should an individual become incapacitated in any manner that prevents them from making their own healthcare decisions. A living will includes family members and medical professionals with a predetermined list of directives the individual wishes to have followed should they become incapacitated and unable to make decisions. Specific directives of a living will include whether or not the person wishes to remain on life support or whether specific emergency life-saving methods or medications should be used to sustain life.

**Durable Power of Attorney:** This document can give your agent the power to transact real estate, enter into financial transactions and make other legal decisions as if he or she were you. This type of POA is revocable by the principal at a time of his or her choosing, typically when the principal is deemed to be physically able, or mentally competent, or upon death. In many families, it makes sense for spouses to set up reciprocal powers of attorney. However, in some cases you may choose to have another family member, friend, or a trusted advisor who is more financially savvy act as the agent.

**Healthcare Power of Attorney:** A Healthcare Power of Attorney (HCPA) designates another individual (typically a spouse or family member) to make important healthcare decisions on your behalf in the event of incapacity. If you consider executing such a document, you should pick someone you trust, who shares your views, and who would likely recommend a course of action you would agree with. After all, this person could have your life in his or her hands.



Do you need an attorney to draft your documents? For most individuals and families that answer is **yes**.

Your **15-Minute Estate Assessment™** will outline numerous critical reasons why you should hire an experienced estate planning attorney based on your actual responses from the assessment.





## Step 3: Implementation

Implementation is the proper asset titling for every asset you own to match your estate plan.

Implementation is one of the most overlooked steps in estate planning. It entails signing all of your estate documents and reviewing all of your beneficiary designations and asset titling. Often a well-drafted estate plan can fail due to poor implementation.

When you pass away, it is not just your will and revocable trust that direct the disposition of your assets. Asset title and designations may pass assets directly to a named beneficiary or beneficiaries outside your will and revocable trust. If asset title or designations are out of step with the dispositive plan outlined in your will and a revocable trust, a lack of implementation could turn your estate plan on end and it could also drive up estate administration fees.



# Step 4: Complete Direction Memo™ (i.e., Letter of Instructions)

## What is a Direction Memo™, and what is a Letter of Instructions?

Perhaps the best way to describe is through an excerpt from the book  
*"Direction Memo™: How to Write a Letter of Instructions for your Your Estate Plan*



You can find a  
**FREE**  
downloadable copy  
of  
Direction Memo™  
at  
[www.My-EstatePlans.com](http://www.My-EstatePlans.com)

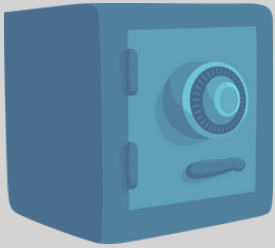
## Answer the Questions Before Your “Important People” Have to Ask

There are hundreds of questions that your important people will be asking after you're gone. They won't find these answers in your traditional estate planning documents, and typically they aren't written anywhere else. Your Direction Memo™ helps you answer these anticipated questions today by recording your wishes and intentions. Here are just a few questions that could be asked by your “important people” in the future:



- *“How would my late husband want me to invest his life insurance proceeds? Should I pay off the mortgage or save for my own retirement?”*
- *“What would my mother have wanted me to do with her jewelry?”*
- *“Who is the Primary Financial Advisor I can trust now that my husband's gone?”*
- *“What happens with his retirement plan now that he is gone?”*
- *“Why did Uncle Harry leave his antique collection to someone else? He knew how much his antiques meant to me.”*
- *“How did Dad pay all the bills each month, and whom do we owe? What subscriptions and services should be canceled?”*
- *“Did Dad want to be cremated? I thought he mentioned that a while ago.”*
- *“Who is a good real estate agent in Mom's neighborhood we can hire to sell her home now that she is permanently moving to the nursing home?”*
- *“As the agent under my Uncle Jack's Power of Attorney, do I have a clear understanding of my responsibilities? What was his investment philosophy, and what is his current financial situation?”*

Are you beginning to see where writing a Direction Memo™ may help? How many of the questions above do you think will be answered from your will, power of attorney, or trust documents? Remember, those legal documents are the “tools.” The Direction Memo™ is your set of “instructions”. By writing your Direction Memo™, you will help your important people make the right decisions regardless of the estate's magnitude.

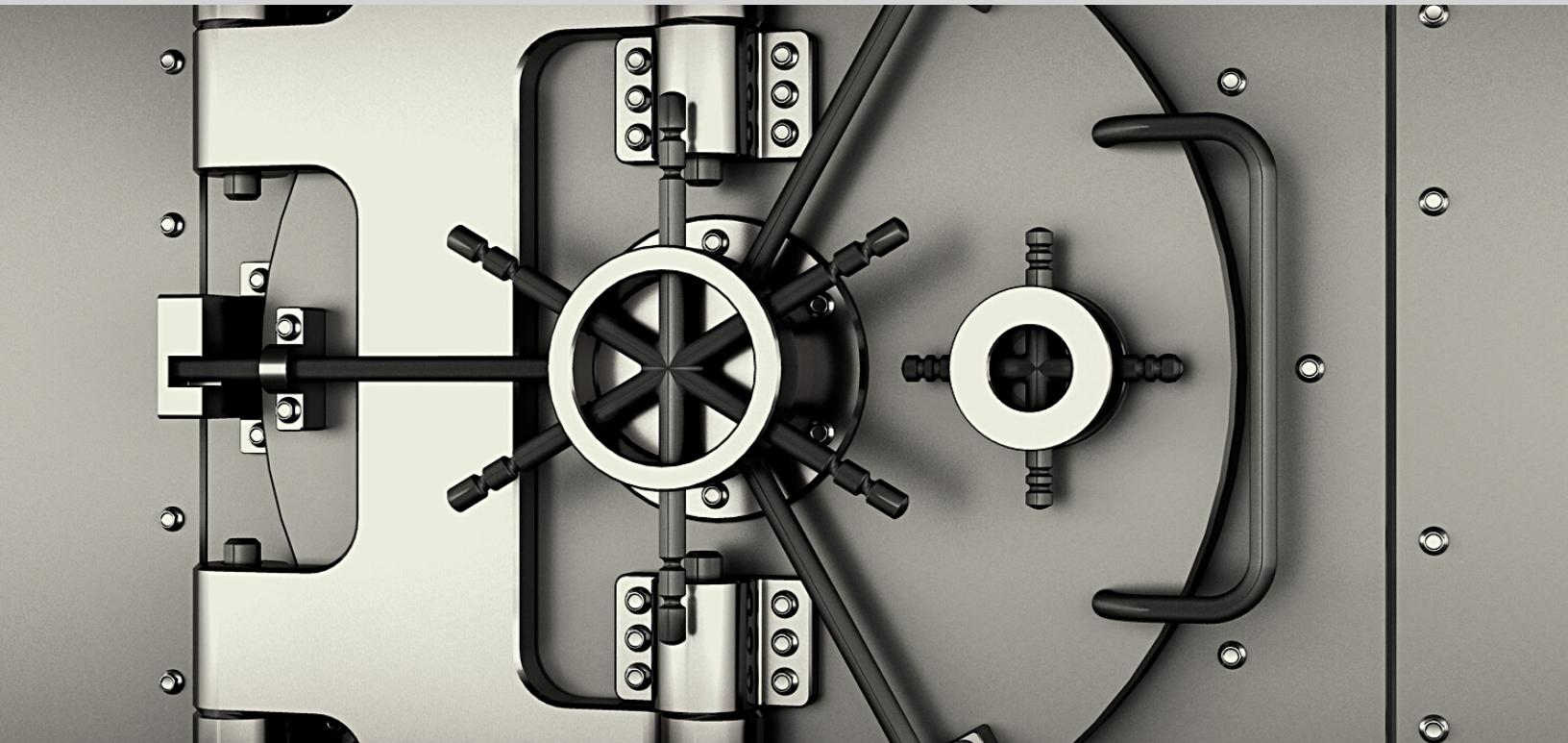




## Step 5: Store a Digital Copy of all of Your Estate Documents (And Provide Access to your "Important People")

<b>My Active Membership</b> Review your account information <a href="#">Click here</a>	 <b>My Document Vault</b> Upload your important estate planning documents, which you can also share with your Estate Delegates <a href="#">Click here</a>
<b>My Estate Delegates</b> Access for loved ones and advisors <a href="#">Click here</a>	 <b>My Advisors Contact Information</b> Give your Estate Delegates contact information for your advisors and other emergency contacts <a href="#">Click here</a>

Your membership includes a place for you to securely store your documentation, letters, photos, videos etc. that you would like your "important people" to have access to on your behalf. This is another way to provide continuity among family members and loved ones regarding your estate and cherished memories.





# Married Couples: Planning Your Estate

When you are planning your estate, several decisions must be made. First, you may select one of three options for a single person or a married couple. After selecting your desired estate planning option, you will enter the information for that plan.



## **1. Simple Will.**

If you pass away first, your estate is transferred to your surviving spouse. If you are the survivor, you may transfer specific property and then give away your estate's residue with a simple will. Your simple will may transfer your property to family members or favorite charities.

## **2. Will With Trust for Minor Children.**

If you pass away first, your estate is transferred to your surviving spouse. If you are a survivor and have minor children, it will be important to select a guardian and a trustee to manage assets for their benefit.

## **3. A Last Will With Charitable Trust.**

If you pass away first, your estate is transferred to your surviving spouse. If you are a survivor, you may desire to benefit children, nephews, nieces, or other relatives and assist the charity. A "Give It Twice" Trust pays income to loved ones with the remainder of the assets to charity.





# Single Individuals: Planning Your Estate

There is a **simple will** for a single person or surviving spouse for adult children, nephews, or nieces. If the estate is under the federal exemption amount, this plan may work well. It is possible to transfer a specific property or amount with a simple will and then divide the estate's balance or residue among children, nephews, or nieces. Many individuals also decide to leave a bequest to charity. An option you might consider is to treat your favorite charities collectively as one child, or one nephew, or niece. The estate could be divided among your selected charities and children. Consider an example of a person with three nieces. Under this plan, the charities together are considered the fourth niece. Therefore, the three nieces and the charitable portion will each receive  $\frac{1}{4}$  of the estate. The  $\frac{1}{4}$  transferred to charity could be divided on a percentage basis among your favorite charities.

If you are a single parent with minor children or desire a **trust** for your children, this option can work well. This option assumes that one trust is created with income distributions made equally to children until the selected age. However, the trustee may be given the right to invade the trust for children's support or education. You will need to select a trustee and choose the youngest child's age to distribute trust principal.

If a **testamentary trust** is created by will for minor children's benefit, it does not avoid probate. This trust will only become operative if neither parent is living. The trustee then gives funds from the trust to the guardian to provide for your children's care and living expenses, including college. The trustee or guardian may be a single person but could be two individuals as co-trustees or co-guardians if you so desire.

The trustee's responsibilities continue until your child reaches the age you specify for the final distribution of unused trust funds. The trustee can be the same person as the guardian if you so choose—careful consideration should be given to this important position. Integrity and the ability and experience to manage financial assets are important factors to consider. If you die without a will and leave property to your minor children, the court will appoint a conservator for your estate unless you establish a trust for your children.





# Questions & Answers

## **What are the advantages of an updated will?**

With an updated will, you can transfer specific property or assets and direct the residue of your estate knowing that the Executor or Personal Representative you select (not the one chosen by a probate judge) will be managing your property. A good last will can carry out your plan and save thousands of dollars while transferring property quickly and inexpensively to your loved ones and in many instances larger estates could discover substantial estate tax savings.

## **What is accidental disinheritance?**

Too many times, the “wrong” persons end up receiving property. An “accidental disinheritance” occurs if you either have no will or the will doesn’t function properly. Sometimes a will is unclear, and the estate transfers to distant relatives or is paid to CPAs and attorneys who represent family members fighting over the estate. You can avoid an “accidental disinheritance” by creating a good plan to protect your loved ones.

## **Can I use my estate planning to create a legacy?**

Everyone wants to have a life with meaning. Part of that meaningful life is to live on in the memory of family and friends. A good estate plan can indeed create a legacy for family and charity that gives added meaning to your life.

## **How can I avoid probate?**

In many cases, someone can transfer the property without probate. For example, individuals may transfer IRAs, insurance policies, and other assets through a beneficiary designation. If you are on Title with another person as a joint tenant with the right of survivorship, the real property will be transferred to the survivor under state law property rules. Finally, many trusts hold real estate, and that the property will be transferred to the trust beneficiary.

## **How do I get started?**

Complete the 15-Minute Estate Assessment™. It is usually best to move quickly through the different sections. You may need to come back later and fill in some of the information. Most of this information you will know or have readily available.

# Checklist of Documents for Initial Attorney Meeting

After you complete the Willpower App™ bring your report, drafts of your estate documents, and the items from the checklist below to your meeting with your attorney.

## Personal Documents:

- ☐ Personal Income Tax Returns (most recent two years)
- ☐ Wills
- ☐ Trusts
- ☐ Powers of Attorney
- ☐ Pre-Nuptial Agreements
- ☐ Investment Account Statements
- ☐ Basis-Information
- ☐ Employee Benefit Plans
- ☐ Deferred Compensation Agreements



## Business Documents:

- ☐ Business Income Tax Returns (most recent two years)
- ☐ Recent Business Balance Sheet
- ☐ Recent Business Cash Flow Statement
- ☐ Business Operating Agreements
- ☐ Business Basis Information
- ☐ Buy-Sell Agreements
- ☐ Employee Benefit Plans





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