

Basics of Estate Planning

Presented by ComPsych® Corporation



of Work-Life Challenges

Stay Ahead of Performance, Productivity and Health Issues

COMPSYCH®
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Estate Planning

“Difficult to think about and impossible to ignore -- like an elephant in the room.”



What is Estate Planning?

A Process & Plan to provide for heirs and transfer one's property from one generation to the next or within a generation & provide instructions for disability or end of life care while:

- Maximizing the goals of estate owner
- Protecting assets from creditors and predators
- Minimizing taxes and probate expenses

Who Needs One & Why?

A young single person with no dependents

Minimal need but should plan for disability and start to think of future

Married couple with young children

Providing for guardianship of kids, financial protection of family and disability

Remarried person with adult children from a previous marriage

Provide for current spouse and eventually pass assets to adult children, possibly periods of disability.

An older widow/widower

Provide for periods of disability, Medicaid planning and pass to children

Why Is it Important?

Without a personal estate plan you lose:

- Ultimate control of what happens to your assets
- Ability to decide who will raise your minor children
- The ability to make or influence your health care decisions should you become incapacitated
- The ability to protect & provide for family members who may be unable to care for themselves

Common Goals

- Make sure your property goes as intended
- Control assets if you are alive but incapacitated
- Control assets after death
- Minimize emotional and financial burden on heirs
- Minimize feuding among heirs
- Arrange for charitable donations
- Avoid or minimize cost and delay of probate
- Provide guardianship directions for children
- Provide resources and/or instructions for the care of disabled or incapacitated family members

Probate

- A legal procedure
- Identifies & gathers decedent's property
- Pays valid claims
- Distribute the remainder to heirs
- The Downside of Probate:
 - Expense
 - Time
 - Privacy



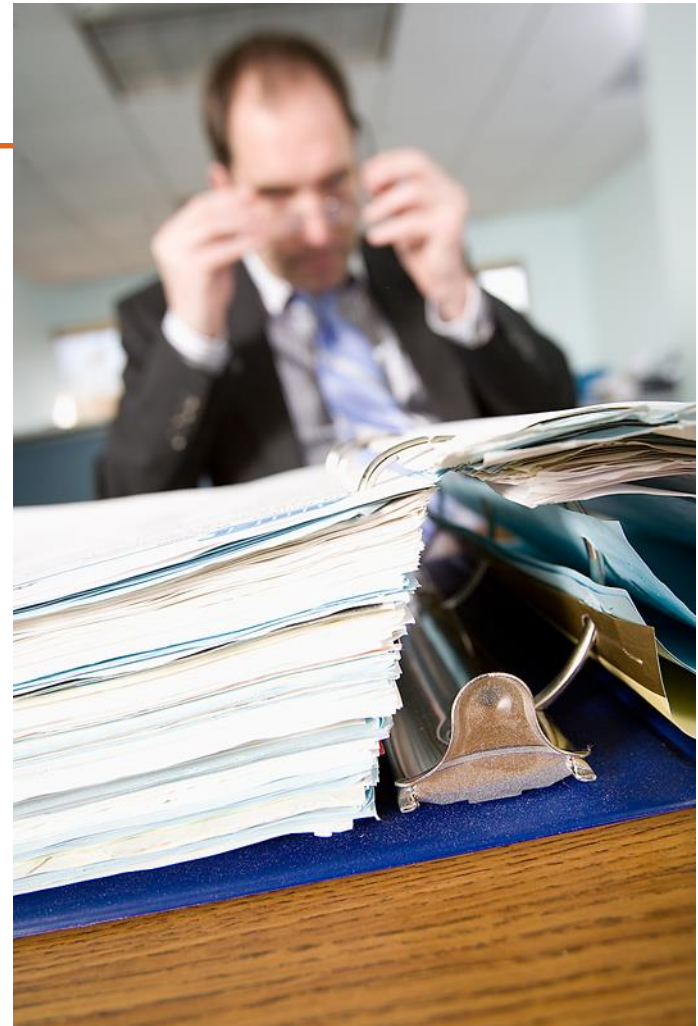
Ways Estates are Settled

- Intestate
- Testate
- Beneficiary Designations and Property Titling Trump A Will!
- Simplified Estate Settlement



Tools Used In Estate Planning

- Will
- Trust
- Form of ownership or operation of law
- Beneficiary designations
- Powers of Attorney
- Advanced Health Care Directives



Tools Used In Estate Planning

Will

- A will is a legal document that disposes of assets that are not disposed of by other means
- Can create a trust to control assets for family members if they are unable to do so themselves
- Can nominate guardians for minor children
- Can be very detailed or provided only general guidelines

Tools Used In Estate Planning

Trust

- Inter vivos (living trust)
- Testamentary
- Revocable
 - Avoids probate
 - Assets included in the taxable estate
 - Assets may be withdrawn by the grantor
- Irrevocable
 - Avoids probate
 - Gift taxes may apply
 - Assets may be excluded from the estate
 - Use in Medicaid Planning

Tools Used In Estate Planning

Form of Ownership – Operation of Law

- Supersedes a will
- Passes to the surviving owner
- Included in the taxable estate

Beneficiary Designation

- Avoids probate and supersedes wills
- Applies to:
 - Retirement Plans
 - Insurance
 - Totten Trusts
- Included in the taxable estate

Tools Used In Estate Planning

Power of Attorney

Gives someone the power to act on your behalf.

Can be broad or narrow – General or Special

Can take effect when you become disabled – “**Springing**” power

Can be effective both before and after disability, it allows holder to act on your behalf at any time – “**Durable**” Power of Attorney

Advance Health Care Directives

Do not resuscitate order

Living will

Durable power of attorney for health care

Estate (Death) Taxes

Tax imposed on the estate of a decedent

- Includes value of all assets included in the estate
- Surviving spouses
- All others

Who pays estate taxes?

- Those with taxable estates that exceed \$11.180 million in 2018
- Individual estate tax exemption can be transferred to surviving spouse
- Individual states may have different exemption limits
- Estate tax rates are currently as high as 40% for those with estates greater than \$5.45 million.

Steps to take

- Start by reviewing estate assets and debts
- Decide where you want assets to go
- Select a financial planner and attorney
- Decide what documents you need
- Choose qualified executor for Will, Trustee and POA Agent
- Choose guardians for children
- Draft or update Will
- Secure a Durable Power of Attorney
- Draft Medical Directives
- Draft Trust if Needed
- Keep Estate Plan Up-to Date

CHECKLIST



The Online Will

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Resources



Benefits & Administration



Physical Health & Clinical

Site Highlights



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Caring for a Loved One

Caring for a loved one can be challenging. Knowing which health care information to trust can be overwhelming. Follow these tips.



July: National Eye Injury Prevention Month

Along with summer fun comes an increased risk of eye injuries. Learn how you can prevent eye injuries this summer and throughout the year.



10 Summer Safety Tips

The summer months bring with them special concerns regarding safety and health. Learn more here.

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Estate Planning Checklist

Featured Program

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Tell-It-Now! Poll

What do you think would make you more productive at work?

- A more supportive work environment
- A better manager
- Training on topics relevant to work
- More time off to relax and recharge
- Better tools/technology/resources to get job done
- Work-life services to help with personal "to-do" list
- Other

Submit

Is work stressing you out?

<https://www.guidanceresources.com/grd/Web/s/home.html?conversationContext=1>

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When to Seek Additional Help

There are additional resources for Estate Planning on
www.guidanceresources.com

Check it out!

Call ComPsych® GuidanceResources®
Available 24 hours a day, 7 days a week!