

Beginning the Estate Planning Process

Estate Planning Terms

Beneficiaries: Person(s) or charity(ies) receiving benefits from the trust.

Creator or grantor: The person who creates the trust.

Durable Power of Attorney for Finances: Makes financial decision for him or her.

Durable Power of Attorney for Healthcare: Makes health care decisions for him or her.

Estate: All property, both real (land, buildings) and personal (automobiles, clothing, money, etc.) that one owns.

Executor (male)/Executrix (female): One named in a will to carry out the provisions of the will.

Heir: One entitled to inherit property.

Intestate: One who dies without leaving a will. His/her property passes to his/her heirs by "intestate succession" determined by state law.

Irrevocable Trust: Give up title to property, cannot alter, amend, or revoke.

Letter of Last Instruction: An organized way for you to give your family all the facts about your finances; outlines the location of your important papers; contains information about your personal desires and how you would like your personal affairs handled when you die or are incapacitated.

Living Will: A document that allows a person to state in advance that his or her dying should not be artificially prolonged.

Non-Titled Property: Personal items without a legal document (such as a title or deed) to indicate who officially owns the items; may have monetary worth or may be cherished primarily for their sentimental value.

Personal Property: Any interest a person owns that's not real property.

Pour-Over Will: A type of will used with a trust. Any assets that were not included in the trust will be poured over to the trust by the will.

Probate: Used to prove a will's validity to the court and to carry out its provisions.

Real Property: Primary residence, vacation home, land, buildings, and other immovable property.

Revocable Trust: Flexible, remain in control of assets, change terms, alter, amend, or revoke.

Separate List (Personal Property Memorandum): A legal method (in many states) used to distribute non-titled property; must be either in the handwriting of the owner or signed by the owner; property and people must be clearly identified; kept with personal papers; must be mentioned in the will or trust to be legally valid; need to be dated to ensure most recent wishes; can be easily updated.

Trust: Legal vehicle created to own your property and give instructions for managing your assets.

Trustee: Manages the property.

Wills: The legal declaration of how you want your property distributed after your death.

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This publication is not intended to provide a substitute for legal advice. Nor is it intended to serve as a complete and exhaustive text on estate planning. Rather, it is designed to provide basic, general information about the fundamentals of estate planning so you will be better prepared to work with professional advisors to design and implement an effective estate plan.

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